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Some Opinions On Economic Tendencies

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Presidential Address Before the Southwestern Social Science Association,
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A great and distinguished citizen of Texas, the late Judge O. S. Lattimore of the Texas Court of Criminal Appeals told the story of a criminal case which had been appealed to Judge Lattimore's court. In the lower court a Negro had been testifying at length. Finally, the questioning attorney stopped the witness suddenly and said: "Look here, Negro, whom are you talking about?" "I'se talking about jist whoever you ast about, boss."

Now, I am about to speak on a considerable variety of economic subjects. I am an accountant, not an economist; yet in order to discuss with you a timely subject I shall express some personal opinions on current economic tendencies. Inasmuch as I speak before men and women who are national authorities on political economy, you can understand the great disadvantage I feel at this moment.

My address may be labelled, "Some Opinions on Current Economic Tendencies."

It so happens that I served for two years as chief accountant for a four-state region of the office of surplus property. During my two years of service, and also since January 1, 1946, when I resigned from this service the Government has dilly-dallied with the disposal of surplus war goods, changing the organization and administration of war goods disposal every few months, heaping confusion upon confusion, with the net result of failing to sell more than about one-tenth as much as the Government should

have sold. In the Fort Worth four-state regional office the inventory is above one hundred million dollars, and the sales have for many months been hovering around two million dollars per month. In the last three months disposals have ranged from 4 to 13 million dollars monthly.

Washington officials have been chiefly responsible for the confusion and delay in the disposal of this surplus property. They have sought continuously to dispose of this property by long distance operations and controls from the central office and have relegated the regional office to the position of rubber-stamping clerks. If Washington would bond the regional office employees and delegate to them ample authority to dispose of the property, much *greater* results would be produced. In fairness to Mr. Truman, his transferring the disposal of surplus property from a half-dozen departments to one central agency, the War Assets Corporation, will help somewhat in expediting the sale of this property.

It is extremely important that this surplus property be sold immediately for three reasons. Surplus goods in the hands of the public will help substantially to alleviate the shortage of consumer goods; the proceeds from sales will help to balance the Federal budget; and, lastly, the proceeds from sales, that is, collections from the public, will mop up excess and inflationary spending power of the public, and in this way prove effective in helping prevent run-away inflation of prices.

If this surplus property is not sold in the near future, both labor and management, when production has approached the point of supplying demand, are going to tell our Government to stop the disposal of government goods in competition with private industry. Whenever the disposal of government goods begins to cause curtailment of production and sale of goods by private industry and thus to affect adversely both employment of labor and the making of profits by private industry, it will be as easy to stop the flow of the Mississippi River as to continue the disposal of surplus war goods in the face of opposition pressure which will be brought to bear upon Congress. It is, then, I think you will agree, highly important that our Government effect a speedy disposal of war goods.

I wish to comment also upon one or two other economic factors which vitally affect the problem of inflation. In the latter part of 1945, Federal income taxes for 1946 were lowered. There is now agitation for a further reduction of taxes. The lowering of taxes among American buyers is inflationary. In my opinion, it would be healthy to the American economy if our Government would restore our Federal taxes substantially to the 1945 level. Such a program would help to absorb excess spending power of the public, and would still leave ample buying power to absorb the output of industry producing at full capacity.

Our Government has reduced the public debt some three billion dollars by paying out surplus money in the Treasury and thus putting more money into the hands of the American public. Instead of following this policy our Government should float a bond drive for general public subscription and hold the proceeds from the sales in the Treasury. This procedure would prove effective in mopping up excess spending power of the public and relieve the pressure for price increases.

I should like to offer a few comments also upon subsidies and inflation. Government subsidies, of course, have the effect of increasing the purchasing power of the public. This increased purchasing power created through the sale of government bonds for bank credit and passed on to the public by means of book-keeping entries on the records of banks swells the money reservoir of demand for more goods and aggravates the inflation spiral. A subsidy increases the money pressure for goods in general and exerts an influence for increases in prices generally. While O.P.A., through the application of subsidies, enables us to have meat at a price lower than would otherwise be possible, we pay the higher cost when we purchase other goods. O.P.A. might argue that other prices are kept down, but they are not kept down. Our government authorities tell us that cost of living is about 40% higher than in 1940. American housewives need no government statistics to tell them of increases in prices of food and clothing. These rises in over-all prices, let me repeat, have in no small measure been caused by government subsidies. We would be better off if some of these subsidies were reduced or dropped entirely. Particular prices would have to be raised some-

what; but the general price level could be better kept under control. Some of the suppliers of substitutes for subsidized products, perhaps, would be able to sell their products at a profitable figure. For example, if subsidies on meat were discontinued, producers of eggs might now be able to sell their eggs at a price higher than the ridiculously low figure of 35c per dozen. The point I wish to make is that the Government should now begin a systematic reduction of existing subsidies with the end in view of maintaining subsidies, if at all, at a very minimum.

Further increases in wages should not be permitted if the present cost of living is substantially maintained. Further wage increases will merely aggravate the inflation spiral at the expense of savings and fixed incomes; that is, the buying power of savings and fixed incomes will become less and less.

From Mr. Bernard Baruch down to the average man on the street we hear the cry: "Lick inflation by production, production, and more production." With these aims I heartily agree. Yet with our eyes fixed upon production, may we not over-reach our goals? May we not over-produce, and over-expand the capacity to produce to the point that the resulting economic effects will shake the very foundations of the American way of life?

In this period of momentous world changes in government and modes of economic life every American citizen should be particularly concerned with the preservation of the profit motive, free enterprise, and the democratic way of life. Interlocking corporate structures, trade associations, craft unions, labor unions, and governmental controls have greatly restricted free enterprise in the United States. We in the United States have the profit motive and private enterprise; but we have freedom of enterprise to only a limited extent. I am concerned, and you are concerned, with the preservation of freedom of enterprise.

In my opinion during the next several years there is danger of nationalization of both industrial and consumer goods in the United States and the fixation of incomes of the service groups of the people in the United States. A World War III or a devastating business collapse would, I think, accomplish the trick. I desire to make a few comments upon the latter of these two possibilities.

A business depression comes about through the accumulation of excess supplies, and the capacities to produce excess supplies, as related to the effective demands for such supplies. As you know, just now the opposite condition prevails; we have an excess effective demand as related to available goods. When our supply catches up with effective demand, the time and conditions may be ripe for excess production as related to demand in the different industries. As one industry overproduces in proportion to the effective demand for the product of that industry, that particular industry must curtail production of the product. Unless such an industry can shift to the production of some type of article for which an effective demand exists, the particular industry must reduce or even stop production. Financial reverses come upon laborers and others dependent upon that industry for an income. This shrinkage of purchasing power for the people dependent upon the curtailed industry in turn restricts the markets for the outputs of other industries which likewise in turn find curtailment of production unavoidable because of loss of markets for their products. The cumulative effect of the excess production as related to effective demand is widespread unemployment and restriction of production in industry. All the ghastly horrors of human distress resulting from economic collapse follow.

In view of the increasing ability to produce the world's economic goods by means of machinery in lieu of labor, and in view of the difficulties involved in the conversion of industry production on a mass scale from the making of a product whose market is saturated to the creation of goods for which an effective demand exists, it behooves the American people to balance industrial production so as to avoid any marked overproduction, or over-expanded capacity for production of all types of goods as related to effective demand.

It would be far better to prevent the disease than to seek its cure after the high pitch of fever has developed. It is better to avoid over-expansion of industry and resulting depression than to seek to correct the ill effects of a depression after it has come. In our mad scramble to produce volume for licking inflation we may forget that the job can be overdone in certain industries with disastrous results to follow.

Our Government should establish an Economic Council composed of representatives from business and agriculture. Let this council of business and agricultural leaders make a continuous study of national and international business conditions. Let this council with all the aid the Government can give in the way of the collection and analysis of information on domestic and foreign supply and demand—I repeat let this council determine and recommend the amount of business expansion which may be safely developed in the different industries. The decisions of the council would be made in the light of the world picture of supply and demand by industries, taking into consideration reciprocal trade agreements between nations, tariff barriers, and political and military relations between nations. When once the council had reached its decision our Government could balance the developments of capacities to produce among the different industries by control of priorities in the use of materials for plant construction. The balance in farm production could be improved by the Government's applying restrictions and incentives for the diversification of farm production.

Such a program to secure equilibrium among the varied types of production in relation to effective demand would in my opinion, if properly administered, do much to avoid over-expansion and resulting economic depression. This control of industrial and agricultural expansion, while requiring some limitation upon freedom of enterprise, may ward off economic depression and possibly a complete reorganization of our economic structure, that is, the nationalization of our economic and human resources.

I have expressed to you some opinions as to certain actions designed to curb immediate inflation, and also to prevent unbalanced expansion of industry and agriculture, and to avoid depression accompanied by possible nationalization of American economic life. I trust that these opinions may have some merit.

Toward a More Objective Definition of Political Concepts

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INTRODUCTION

Recent political science literature has tacitly omitted most of the formal aspects of the systems worked out by an earlier generation.¹ Texts now generally embark without preliminaries on pure description of the phenomena to be covered, with a minimum of special terminology other than that borrowed from law. A student would nowhere discover, for instance, from the most widely used text in American Government that a state may be something else than one of the constituent parts of a federal union.

Objective description and analysis has probably been temporarily advanced by neglect of theories not wholly satisfactory for these purposes. Much political and juristic theory has been vitiated by a tendency for normative or purely subjective or patently ideal elements to creep into what should primarily be descriptive categories of objective phenomena.

The importance of normative elements in all social thinking is all the more reason for their segregation from explanations of nomenclature intended to apply to objective phenomena. If courts, for instance, *are* those bodies which interpret and apply the law to particular cases then logically the question is not open whether or not a particular court has disregarded the statutes in reaching a decision. If so it is not a court. Properly we must first know on some other basis what a court is before we can consider whether it does what we think it ought to do. Law according to Esmein² is "*Une regle impérative ou prohibitive . . . qui statue non dans un intérêt particulier, mais dans l'intérêt commun . . .*" We need first to know what laws *are* in order that we may consider among other things whether one of them is or is not in the common interest.

¹ For instances of formal systems see the works of Burgess, the Willoughby Brothers, and Garner.

² *Eléments de droit constitutionnel*, 8th edition, Paris, 1927, v. 1, p. 29.

It may be objected that such statements as the one quoted are intended in a normative sense. Nevertheless, by such forms of expression the proper place of a purely descriptive concept has been pre-empted and thinking is inevitably confused.

It may be better to neglect unsatisfactory formulations than to attempt to use them but no science can progress without some definiteness of terms. The lack is more particularly felt in comparative studies than in more specific empirical descriptions. In any case theory cannot ever be dispensed with and the older concepts, unreplaced but neglected, actually live on in vaguer form without explicit formulation.

In certain cases subjective or normative ascriptions have been so constantly associated with a political concept that description is incomplete without reference to such associations. Special care must, however, be used in formulation to avoid making the truth of the ascription a diagnostic criterion. Thus if the executive branch is that part of a government which enforces the law, questions as to the legality of individual executive actions are logically excluded. In practice the executive branch is the residual part of the once undifferentiated total establishment after the modern differentiation of specialized courts and legislative assemblies. It is normally by far the largest part (in personnel). Unlike the other parts it is prevailingly and intricately hierarchical in organization. Finally it is the actual wielder of the physical power of the government. To complete the picture mention should be made that under modern conditions it is usually *said to enforce*, or it is frequently *thought of as having* the sole duty of enforcing, the laws.

An attempt to define terms formally, rather than to describe for recognition the concepts to which they relate invites the introduction of the subjective, normative, or purely ideal elements whose exclusion or whose statement as pure ascription is desirable. All significant categories of phenomena develop historically. None (if applicable to objective phenomena) can be delimited once and for all. No formal definition by inclusion and exclusion of capitalism or of representative government, for instance, based upon human experience through (say) 1800 could accurately em-

brace the exact range of phenomena to which those terms are now applied. It is for future scholars to determine how far the terms we now find useful may conveniently be extended.

Categories of real things should be based on type descriptions rather than formal definitions. As a biologist describes the type of a genus or species and provides a name by which individuals more or less similar to the type will be known until a need for the recognition of a generic or specific difference leads to the description of a new type, mere names should be applied to social concepts for the sole purpose of recognition and without assuming that the full useful coverage of the concept can be defined in advance.

In the case of newly occurring phenomena biological taxonomic procedure may readily serve as a guide. Mussolini's movement in Italy was a political phenomenon new to political science literature. It acquired the name fascism. (Possibly Horthy's earlier counterrevolution in Hungary might, if adequately noticed, have provided the type for this concept.) Extension to include German Nazism was generally accepted. In the case of similar trends in Japan in the decade of the thirties with a different historical origin partial differentiation by the term fascistic militarism or military fascism has seemed more acceptable. Without the use of a dead language to cloak awkward repetitions the development of systematic binomials and trinomials may be impractical but the general goal of relationships systematized in nomenclature is worth keeping in mind. Thus we might posit a genus of fascism with two species, and various possible subspecies:

Fascism, post-liberal-democratic, Italian

Fascism, post-liberal-democratic, German

Fascism, traditional-autocratic, Japanese

For well established terminology (state, law, etc.) it would not now be profitable to make a game of seeking to describe as the type only the first historic instance. It is doubtful if Linnaeus in describing the domestic cat made an effort to rely upon an individual specimen or specimens before him on his work table.

A description of certain basic political concepts in which an attempt has been made to apply the standards here developed is presented in the following sections.

I. THE GOVERNMENTAL ESTABLISHMENT

Attempts to distinguish *governmental* institutions from the multitude of institutions and organizations prevalent in civilized society on a basis of function run immediately into the difficulty that government has evolved through centuries of human history and bears a somewhat different content in different times and places. Nonetheless it is true that every advanced society in the present time or in past history has included a more or less separate and more or less unified set of institutions possessing the ability and the recognized authority to regulate the activities of the population in general and to employ such force as might be necessary to ensure conformance to certain rules of conduct. The details of these rules at least have usually been subject to elaboration or modification through the action of the governmental institutions themselves though deliberate legislation in the modern sense has not been universally practiced. Whatever may be the additional regulatory, service, or ceremonial functions, which from time to time or from place to place they may undertake, *governments* may be recognized by their central position in the community as the main users of such force and compulsion as is generally regarded as legitimate.

As all institutions are most concretely manifest in the persons whose daily activities are devoted to their operation and maintenance, so governments are most tangibly represented by their *establishments*, military, civil, etc., that is, those bodies of persons who regularly devote the whole or a major portion of their time to governmental functions.

While modern governmental establishments consist almost wholly of full time employees dependent for their subsistence upon regular salaries paid out of the public treasury, such *salaried establishments* have not been universal. In the ancient Mediterranean city-states and for local government purposes in some modern countries governmental establishments have consisted of persons whose source of subsistence was wholly independent of their governmental activities. Under this arrangement governmental activity is largely uncompensated by specified rewards and sup-

posedly is undertaken in fulfillment of a general obligation upon persons possessing political rights to carry out public functions during limited periods upon choice by some system of election, rotation, or the drawing of lots. Such *amateur establishments* have in the past always proved inadequate for strong political organization over any considerable area even when supplemented, as in the more prosperous ancient city-states, by a system of state slaves to do the detailed routine of administration.

Resembling the amateur establishments of the city-states but characteristic of a wholly different social order, the *political feudalism* of medieval Europe also largely dispensed with any body of salaried governmental employees. The absence of a money economy with its accompanying widespread exchange of goods and services made impossible the payment of money salaries to any considerable body of persons, whether in governmental service or in other occupations. Support for the small ruling class was, instead, derived in each restricted locality from the local subsistence economy. This ruling class income, largely in the form of produce and unpaid labor, consisted of a recognized schedule of dues, rents and tolls which persons of superior status were considered entitled to exact from the local peasantry living upon the lands and using the facilities over which they had customary rights of lordship.

Assisted by more or less extensive retinues, supported as their permanent house guests, the various feudal lords exercised in their respective areas such governmental authority as they could, under such restrictions and supervision as more powerful lords of neighboring areas might be able to exert over them. Relationships essentially personal and economic were under the feudal system hopelessly intermingled with political status. No meaningful distinction between the relationship of tenant to landlord or of fighting man to military leader and that of subject to ruler could have been grasped except by those few persons whose acquaintance with ancient history gave them the concept of a more distinguishable and less personal type of state.

Strong governments in past history have generally aspired, in so far as the existing supply of money and the prevalence of economic exchange made a system of money payment possible,

to base their power upon *salaried establishments* rather than upon the inefficient amateur system or upon the dubious loyalty of largely independent, locally supported, feudal lords. With the modern development of a general system of monetary exchange of commodities this goal has been attained by practically all governments. Only in the remoter undeveloped corners of the modern world do establishments remain in which the official draws from a purely local economy a subsistence income based on his status, and only exceptionally and mainly for local government purposes does a system of strictly amateur administration persist into modern times.

Inherent in the trend toward salaried establishments have been tendencies toward the *geographical centralization* and the *functional integration* of governmental activities. The salaried establishment provides the mechanism without which these tendencies could not be carried through. The individual salaried official is strictly distinguished from the state, which is thought of as a corporate entity. Revenues which he collects from the population are accountable to the general treasury and are not thought of as subject to his personal disposal. The expenses which he incurs in his official activity must likewise be provided from funds over which in general his control is limited or non-existent, for he does not have at his disposal the local resources of a feudal lord. His personal income likewise is a fixed money payment out of funds which he does not control, and the amount and continuance of that payment are dependent generally upon the pleasure of a superior authority having the power of appointment and removal over his position. The salaried governmental employee is, therefore, like any other person working for a wage or salary, under the orders and directions of those on whom the continuance of his income depends.

Geographical centralization, which brings direct administration over a wide area under the control and coordination of a single authority, had become prevalent over most of the European continent by the end of the Napoleonic wars. The expansion of centrally appointed bureaucracies throughout the areas of their respective countries ultimately extinguished local feudal authorities and reduced to a mere shadow the autonomy of amateur

administrations in the surviving medieval municipalities. In Great Britain, its self-governing dominions, and the United States significantly autonomous local government administrations have persisted. But not only have they come more and more to depend upon salaried local establishments of their own; since the late 19th century there has also been a great expansion in the functions performed locally by branches of the central (and in the United States the state) governments as well as a tendency more and more to subordinate matters of local government administration to the control of the central (or state) establishments.

Functional integration of governmental activities, that is, the concentration in one authority of control over the manifold separate matters administered by a particular government, has become generally characteristic of modern salaried establishments. Usually the various agencies and bodies composing the governmental establishment as a whole (except the legislative and judicial authorities) are grouped in some ten to 20 main "departments" or "ministries," each under the direction and control of a single responsible official known variously as a "minister" or "secretary" or by some special title. The various department heads in turn are normally subordinate to a single chief executive authority, sometimes a single official like the president of the United States, sometimes a committee or "cabinet" mainly composed of the department heads themselves. In this way responsibility for a single policy operated through the whole of the ordinary administrative establishment is centered in one person or group and the coordinated action of the entire governmental machine exerts a force largely absent in less thoroughly integrated governmental systems.³

Courts and representative assemblies, the latter usually chosen in part at least by some form of popular election, have remained outside the general trend toward integrated and hierarchical organization and have come to be regarded as forming distinct "branches" of government under the designation of *judicial* and *legislative* respectively.

³ The chief modern exception to this scheme of *integrated administration* is embodied in the administrative establishments of the member states of the United States, in which two atypical features are usual: 1. the absence of any single authority responsible for all ordinary administrative policy and; 2. the use of boards instead of single officials as department heads.

Courts act passively in deciding legal controversies submitted to them. They hear the arguments of the interested parties and are expected to reach their decisions through the logical application of existing legal principles. In so doing they are supposed to act independently rather than under the direction of an administrative superior, though a decision, once made, may be overruled or corrected in proper proceedings by a higher court. The proper function of the judicial branch, therefore, is usually said to be "to interpret the law."

The individual member of a representative assembly like the judge is supposed to act independently rather than under the direction of a superior. By legislation and by the exercise of other specific rights representative assemblies in democratic countries tend to control the general policy of the government. This branch is usually said to "make the laws" although much really legislative activity in practice is likely to be accomplished by the other branches.

Under the long prevalent three-power theory the remaining part of the government has come to be referred to as the *executive branch*. It is frequently said to have the function of "enforcing the laws," though the discretionary character of much of its activity (especially in foreign affairs) belies the literal meaning of "executive." In practice it consists of those agencies other than the representative assembly which are not clearly courts and its structure is generally characterized by integration and hierarchy as already described.

Within any modern governmental establishment as a whole and within each of its main executive departments separately a distinction can be drawn between the relatively few higher officials who are thought of as responsible for decisions as to policy and the general body of employees whose main function is considered to be the effective execution on the basis of their technical training and ability of the measures prescribed for them by their superiors. This distinction between the supposed functions of two main types of personnel is objectively embodied in normally different avenues of recruitment and career patterns of the two groups. While the *political officials* tend to be persons who have

previously assumed importance as political leaders with personal followings, who are relatively transient as the holders of particular offices, and whose lives have been spent partly in governmental service and partly in other occupations, the *technical employees* as individuals usually lack political importance, are relatively permanent as office-holders within a particular administrative division, and in many cases have spent adult life exclusively in governmental employment. In many countries, especially Great Britain, the distinction between the two types of governmental personnel is considered to be definitely fixed through conventional or legal rules requiring the appointment of lower personnel through competitive examination and the filling of all higher administrative posts, except the very few specifically designated as political, by promotion from within the service.

II. THE STATE AND ITS SUBDIVISIONS

Processes of government obviously involve much more than mere governmental establishments. The latter are only the central core of public organization, but it is mainly to them, or even to the few chief political officials who control them, that reference is made in the expressions "the government," or "a government." To refer to the whole political organization of a particular people inhabiting a definite territory and ruled by a distinct governmental establishment a broader term, *the state*, is employed.

By no means all human societies have been organized as states. In order to be a state not only must a community be organized on a territorial basis (as distinguished, for instance, from the relationship basis common among primitive groups) but also it must possess (or be possessed by!) a governmental establishment consisting of a definite body of persons distinct from the community as a whole and capable, in general, of exercising force and compulsion successfully in imposing its regulations upon the population.

Independence in some sense has generally been imputed to organizations which may be called states, though perhaps not to those of the medieval period in Europe. Such a notion can hardly find clear objective manifestation. When a small state is located between or near two or more powerful states it may

maintain a considerable degree of freedom as a buffer state, which each of its neighbors will to some extent protect from the others. Likewise, if its geographical location is so remote or topographically protected as to make coercion too difficult. Other small states tend in many respects to become the clients or satellites of more powerful neighbors.

When a relation of subservience reaches the point of official recognition in formal agreements or otherwise the state whose independence is so obviously impaired is known as the *protectorate* of the state exercising power over it. The exact extent of the external control which the protectorate status connotes varies from instance to instance.

All states are subdivided for governmental purposes into areas of various sorts. Some of these are purely for convenience in allocating the duties of members of various branches of the governmental establishment and are of no concern to the general public. Thus centralized tax-collecting or other agencies operating over a large area assign particular districts to the oversight of particular groups of officials and these districts may be quite different from those used by a different branch of the same governmental establishment.

Among governmental districts having fairly broad and generalized uses the most universal and usually the smallest are the *municipalities*, of which typical examples are the counties and cities of English-speaking countries. Each municipality has a separate establishment, which may be in part or entirely under the direction of locally elected officials. The municipality, however, is always considered to be subordinate to the laws of a larger area and usually also is to some extent administratively supervised by the governmental establishment of such area. In many countries, in fact, municipal administrations are entirely subordinate to the orders of higher administrative agencies. Municipalities usually have a limited power of taxation and control of a variety of local revenues and properties. They frequently engage in activities which may be called commercial, in that specific charges are made upon the voluntary users of services rendered. In the more fundamental aspects of government, as for example the en-

actment of private and criminal law and the control of armed forces, the role of municipalities is negligible.

States having widely scattered areas under their sovereignty frequently provide governmental and legal systems for certain of those areas (usually those geographically remote from the central portion) substantially separate and distinct from those of the "home" or metropolitan territory. The governmental establishments in the larger of these separately governed *dependencies* are frequently as elaborately organized as those of states but in most cases the higher official personnel is not indigenous to the territory but is appointed by the central government from among the inhabitants of the home area.

Dependencies may be distinguished from independent states by a number of criteria. In the first place, the laws of an outside government are considered to be in force in the dependency as a part of its law in so far as they are intended to apply there. Usually such outside laws extend only to prescribing the basic features of the governmental system of the dependency while the bulk of its criminal and private law is based upon enactments of the dependency government.

The second and most important of the marks of a dependency is the official subordination of the highest officials of the dependency government to the orders and instructions of the home government by whom they are usually appointed to, and may be removed from, their positions. The complete absence of this feature of dependency status in the British self-governing dominions makes it impossible to class them as dependencies in any but the most formal sense. Thirdly, in many but not in all cases, some decisions by the courts of a dependency are subject to review on appeal by the courts of the home government.

Regions within the home area of states (e.g. Scotland, Alsace-Lorraine, District of Columbia) possess so many individual peculiarities as to defy any general classification. One type of such area, however, is fairly uniform and requires separate consideration. Certain states described as *federations* are subdivided into areas which because of their relative importance and autonomy frequently themselves go by the title of "states" and which more technically may be referred to as *constituent states*. Constituent

states in a federal system are thought of as entitled under the constitutional arrangements of the country where they exist to a permanent and semi-independent status not possessed by other kinds of regions, which like municipalities and dependencies are legally creatures created by, and subject to being modified or destroyed at the will of, the central authorities of the state in whose territory they lie.

In general, in a federal system the powers of government are thought of as being divided between the central governmental establishment and the separate establishments of the constituent states, the former being considered to exercise the full power of the state in certain matters and the latter the same full powers but upon other subjects. Federalism is not a common arrangement in governmental organization, Argentina, Australia, Canada, Mexico, the Soviet Union, and Switzerland being the principal countries of this type besides the United States; the other countries of the world for the most part are of the *unitary* type, which lacks subdivision into constituent states.

A union of separate states whose central establishment does not in fact possess power to enforce its regulations except through the aid of the establishments of some or all of the member states is a *confederation* and does not itself constitute a state.

III. POLITICS

Politics, in so far as the term relates to states, comprises all those activities which tend in one way or another toward the organization of groups of persons in support of, or in opposition to, particular officers or potential officers of a governmental establishment, particular policies which the governmental establishment is pursuing or which it might pursue, or the authority of the existing governmental establishment as a whole. In practice the aims of particular movements rarely envisage personnel to the exclusion of policies, or policies to the exclusion of personnel, though the relative emphasis is often recognizably on one of these two elements. Politics, like government, in a broader sense also applies to similar activities with relation to organizations other than states.

Political organizations of the most important type are usually called political parties. *Political parties* are generally distinguished from other varieties of political organizations through the more extensive character of their avowed political purposes. Thus, while many active groups are concerned primarily with policy on some particular matter or with the fortunes of certain individual politicians, political parties generally profess a broad set of principles covering the entire field of governmental activity and seek for their own leadership the controlling positions in the governmental establishment.

In many respects political parties differ according to the type of state in which they operate.⁴ Thus in traditional autocracies, where important matters of policy and personnel are often decided by private arrangements of influential persons close to the throne, party organization frequently takes the form of relatively small *cliques* each associated with some important personage. Broader popular organizations also take form where sufficient civil liberties exist to permit them, but by their nature they can with difficulty avoid the appearance of disloyalty to the régime itself, and except in so far as in fact they tend to be manipulated by small upper class cliques their influence in executive matters is likely to be small.

It is in the liberal democratic states that the greatest variety of development of political parties has come about. In certain of the older liberal democracies, as in nineteenth century Great Britain and in the United States today, a party system has existed in which substantially all the active electorate follows one of two major parties not sharply separated on any basic matter of principle but differentiated mainly by the traditional continuity of each from an historical organization which at some time in the past advanced what then was a novel and distinctive political position and by the existence of areas in which each possesses a substantial permanent monopoly of political leadership. If one were to insist that political parties must represent distinct in-

⁴ For a classification of modern political tendencies as (1) traditional autocratic, (2) liberal democratic, (3) communistic and (4) fascistic see the author's "Comparative Aspects of Fascism," *Southwestern Social Science Quarterly*, v. XX, pp. 349-360 (Mar. 1940).

terest groups and must stand for distinctive policies such pairs of parties would have to be regarded as mere organizational branches of a single party, which in fact wholly dominates what in appearance is a two-party state. Although parties of this type, particularly in Anglo-Saxon countries, are often distinguished by their apparently undoctinaire character in contrast with the emphasis which other parties often give to elaborate expositions of political, economic, and social theory, this apparent absence of doctrine is somewhat misleading and arises mainly from the fact that parties of this type support a generalized version of liberal democratic theory widely held and little disputed in their communities and, therefore, largely taken for granted in political discussion.

In organization, parties of the *traditional liberal democratic type* just discussed (of which recent examples are the Republican and Democratic parties in the United States, the Conservative and Liberal parties of Canada, the Conservative Party and the remnants of the Liberal Party in Great Britain) have an elaborate system of local, regional, and central committees and conventions or conferences, those of wider areas being frequently more or less representative bodies constituted through some internal process involving their election by the local organizations of party workers. At the broader levels of organization, particularly in association with the central committee, more or less permanent offices with staffs of administrative and clerical personnel are frequently maintained.

Membership in these traditional liberal democratic parties is usually defined vaguely if at all. The local meetings of party supporters which usually choose local committees and representatives to the higher representative bodies may simply be occasional meetings brought together when necessary by the local party workers, or they may represent permanent local clubs (as in the British Conservative Party or the former Radical-Socialist Party of the French Third Republic), the members of which for the most part are the active local politicians and the leading contributors of money. In the United States, where alone legal requirements have been imposed with respect to the internal organization of the leading political parties, the institution of the

direct primary, a system of governmentally regulated intra-party elections for the choice of party officials as well as of the party's candidates for governmental offices, tends in many states to create something resembling an official membership list in the form of the roll of persons admitted to vote in the primary of a particular party.

Besides the type of party already discussed, which is historically associated with the early liberal democratic states, other forms of party organization have developed in such states. The British *Labor Party*, for example, has a generally socialistic orientation but has mainly been concerned with legislative and administrative measures of immediate advantage to the organized labor movement. This party is basically a federation of trade-unions, though special local associations open to any persons desiring to support the party are included in the organization. Whereas in parties of the type previously discussed, current decisions on matters of policy tend to be taken by the active members of the party holding governmental office (the Party's leaders in the House of Commons in Great Britain), in a labor party a greater actual power of decision in these matters tends to be exercised by the central authorities of the Party itself. Organizations of similar character exist in Australia and New Zealand as well as Great Britain.

Common to most states where their existence is permitted by law are political parties adhering to the *Marxist theory of social progress*. In general the basic program of these Marxist parties is the elimination of private ownership of the means of production, and thus of capitalism, primarily through the political organization of the industrial working class, which is viewed as the part of the community most suited by its environment and conditioning to be the core of the movement against capitalism. Before the second decade of the twentieth century a single organization usually going by the name of *social democratic party* normally represented this trend in each country, but since that period at least two branches have been operating separately. One group of these separate national parties has assumed the name *communist*, and these parties were long affiliated with the Communist Party of the Soviet Union in an international political league, the so-called Communist or Third International. The more important of the other Marxist parties, varying considerably in program and

theory, have been rather loosely organized in the so-called Second International, and though often retaining the official designation of "social democratic" tend to be referred to as the *socialist* parties.

In internal organization both socialist and communist parties have maintained an officially defined system of membership and have attempted to pass upon the individual political reliability and other qualifications of applicants before admitting them to membership. Party membership has been considered to involve more obligations in such matters as attendance at party meetings, financial contributions, and general activity in political and trade union matters than would be expected of mere supporters of the party's position and, especially in the communist parties, members have been considered bound to follow in a disciplined manner whatever decisions on pending political matters might be adopted by the party authorities.

Movements of traditional autocratic or fascist character frequently appear in the politics of liberal democratic states. While the *traditional autocratic movements* (e. g., the Action Française) can effectively appeal only to small groups and consequently exert an influence that is largely indirect and manifested often through politicians who give lip service to other creeds, they frequently play an important part in strengthening more typically fascist organizations and sometimes coalesce with the latter.

The activity of *fascist movements* is mainly centered in spectacular mass meetings and shows of private military strength. Membership is usually formally defined and involves some insignia or special piece of costume. The more active members at least are usually organized in private military formations, which conduct frequent drills, hold public parades, act as guards at mass meetings, and especially when they can count on the indulgence of the police engage in street fights and the kidnapping and manhandling of their opponents.

Fascist political organization is highly expensive. Membership fees, admissions, sales of literature, and other ordinary receipts are wholly inadequate to finance mass movements based on the largely artificial appeals of fascism. The growth of a fascist movement to considerable size has always been preceded by the

acquisition by the movement of systematic support from wealthy groups able to pour large subsidies into its treasury. With financial backing of this sort the fascist movement is sometimes able to attract into its orbit a large part of the middle class, in whom a discontent with actual social conditions is frequently associated with a desire for traditionally approved and romantically clothed remedies.

Besides the more thoroughly and elaborately organized parties of the types already discussed political activity in some liberal democratic states has frequently been carried on by much *looser and less permanent forms* of partisan organization. Thus in the French Third Republic, while roughly a third of the more radical voters followed the Communist and Socialist Parties, and roughly another third of moderates followed the misnamed Radical-Socialist Party, which resembled fairly closely the traditional type of liberal democratic parties in Anglo-Saxon countries, the remaining third of the electorate, mainly those with conservative leanings, divided their support among a considerable number of loosely organized political cliques, each usually constituting the personal following of some prominent politician. Actually the organization and financing of the campaigns of conservative French politicians was largely taken care of by two permanent political associations (the Republican-Democratic Federation and the Republican-Democratic Alliance) but neither of these aspired to the normal attributes and position of a political party. These conservative *electoral associations* came into action mainly at election time, when they endorsed such local candidacies as they approved and lent them their organizational and financial support. Politicians availing themselves of such support, as well as other "independents" were free to adopt any one of a number of more or less standardized political designations, and if elected to the legislative body these candidates freely organized themselves into a variety of rather unsubstantial *political groups* which operated within the chamber like party caucuses but which were wholly lacking in any corresponding organization in the population at large.

In Soviet Russia and in fascist states only one political party is legally permitted. The function of such an *official party* is

necessarily somewhat different from that of parties in states where more than one party exists but not sufficiently so to justify any objection to the use of a common descriptive term. Under both fascism and communism the single legal party serves as the principal agency for organizing and maintaining popular support of the existing régime and under both régimes official membership in the legal party is highly restricted and difficult to secure. In organization and in policy-forming activity, however, there is a great difference between the Soviet communist party and the various dominant parties in fascist states. While fascist official parties were organized on a wholly military basis, with an officially self-perpetuating leadership appointing the subordinate regional and group officials, the general membership in the Communist party of the Soviet Union is formally consulted on many issues and votes by ballot in selecting members of the higher councils of the Party structure. In the determination of governmental policy, moreover, a constant and conspicuous part is played by the higher central authorities of the Soviet communist party (its "Political Bureau," Executive Committee, etc.), although these bodies are lacking in legal status as parts of the governmental establishment, whereas in the fascist countries, where in general the party organization was officially a part of the governmental structure, the leading agencies of the party were quite overshadowed in the sphere of policy-formation by the incumbents of the higher executive positions in the governmental establishment.

Besides political parties, there are a variety of organizations of more limited aims through which in many states a large amount of political activity is carried on. For this type of political organization the term *pressure group* has come into general use. These organizations concentrate mainly upon particular issues of policy and only in a subordinate manner are they concerned with governmental personnel. Normally they refrain from seeking government office for their own leaders (one of the main concerns of political parties) but instead operate through the influence which they can exert on the incumbent legislative and administrative officials supplemented by an occasional entry into the field of personnel (in elections or in decisions of appointment)

to the extent of using their influence toward "rewarding friends and punishing enemies." Two main types of pressure group may be distinguished. In the first type an organization exists specifically and exclusively for the purpose of promoting or opposing some particular political measure. Pressure groups of the second type consist of organizations such as trade unions, chambers of commerce, veterans' associations, and churches, having other than political purposes, which, as the representatives of particular groups of persons with common interests, enter from time to time into political activity on questions affecting the general interests or opinions of their members.

The growth of manufacturing and mining in the Southwest, which people may work more productively, by which real income may be increased, the level of living raised, and a more diversified pattern in the use of material and human resources achieved, the total economy of the Southwest and of the Nation would be strengthened substantially.

Current interest in the expansion of industry in the Southwest is based on recent wartime experience. Over \$2 billion was invested in new plant facilities in the region between 1942 and 1945 and over \$12 billion was spent for supply contracts and facilities. Including military as well as industrial. At the same time thousands were recruited for military and industrial work in the Southwest of necessity but production, and a substantial volume of capital has been accumulated by reason of high income taxes. As a result a slight industrial potential is now available in the Southwest.

The balance of expanding is a strong influence and perhaps the most important one, which has stimulated thinking in terms of industrial planning. For a state like Arizona, whose population is fairly rural in which over half of those gainfully employed work in agriculture and one-third of whose income is derived from the sale of farm products, the significance of agriculture makes it imperative that any reorganization of industrial development should take into account the effect which such a program would have on the farm economy. To a large extent this is a matter of

A report by the Arizona State Board of Agriculture, January 1946, and a report by the Arizona State Board of Agriculture, February 1946, are available from the Arizona State Board of Agriculture, Phoenix, Arizona.

Agricultural-Industrial Planning in Arkansas*

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There is a growing consciousness of need for industrial activity in Arkansas and the Southwest Region. It is generally agreed that expansion and growth of industry affords the most promising means by which additional wealth and income may be created and a fairly high level of employment maintained. For if, through the growth of manufacturing, employment can be provided in which people may work more productively, by which real income may be increased, the level of living raised, and a more diversified pattern in the use of material and human resources achieved, the total economy of the Southwest and of the Nation would be strengthened substantially.

Current interest in the expansion of industry is due in part to recent wartime experiences. Over \$2 billion was invested in new plant facilities in the region between 1940 and 1945 and over \$12 billion was spent for supply contracts and facilities, including military as well as industrial. At the same time opportunities were presented for training local workers in the technique of assembly line production, and a substantial volume of capital has been accumulated by reason of high income levels. As a result, a sizable industrial potential is now available to the Southwest.

The challenge of agriculture is a second influence, and perhaps the most important one, which has stimulated thinking in terms of industrial planning. For a state like Arkansas, whose population is largely rural, in which over half of those gainfully employed work in agriculture, and one-third of whose income is derived from the sale of farm products, the significance of agriculture makes it imperative that any recognition of industrial development should take into account the effects which such a program has on the farm economy. To a large extent an analysis of what

* A paper presented before a session on "Agricultural-Industrial Development of the Southwest" at the meeting of the Southwestern Social Science Association, Fort Worth, Texas, April 20, 1946.

industrialization means to Arkansas resolves itself into a consideration of what industry means to agriculture.

In considering wartime changes in agriculture, it is to be noted that for the entire Southwest farming has been a very profitable undertaking. The productive capacity of Arkansas farms has been expanded, particularly in the case of crops, such as rice and cotton and of livestock, poultry, fruits, and vegetables. Increased farm prices and the ratio of prices received by farmers to prices paid have been extremely favorable. As a result, the increase in agricultural income has accounted for 27 per cent of the increase in total state income from 1940 to 1944. At the same time, the accumulation of liquid reserves in the form of bank deposits, cash, and war bonds, together with a reduction of mortgage indebtedness, has made it possible for the farm population to improve its capital position.

Yet in spite of the tremendous wartime advantages which have accrued to agriculture, certain factors may present extreme difficulty for the postwar period. For example, an increase of farm real estate value in Arkansas to a level of 93 per cent over the 1935-1939 average as compared to 71 per cent for the United States would mean considerable trouble if farm product prices should move downward. Postwar price policy, foreign trade outlets, and farm commodity surpluses are only a few of the agricultural imponderables which must be considered from both the state and national viewpoints. All cotton producing states are necessarily brought to realize the full meaning of competition with synthetic fibers and with cotton production in foreign countries. At the same time the factor of technological progress in agriculture means that fewer people will be needed on cotton farms. Preliminary results of adjustment studies in agriculture in the cotton states indicate that a few of those who have been actually working on the problem have visualized the extent to which radical adjustments are to be forced by these developments within the next few years. According to estimates in these studies, cotton production in the Arkansas Delta requires less than one-fourth as much labor per acre by the most modern mechanized methods as by the older hand methods with horse-drawn equipment. It is estimated that reductions on a per pound basis will be still greater.

Thus underemployment for great sections of the farm population which has so long troubled the cotton producing areas may very well be intensified into a problem of unemployment. It is this matter of excessive farm population and the adjustments facing cotton producers that stand out as the most pressing farm problems of the Southwest.

Likewise, in local areas where the production of certain perishable fruits and truck crops has been expanded under wartime stimulation, farm producers are likely to face problems of surpluses and price fluctuations as the postwar demand for these products declines.

The fundamental problem of agriculture, however, does not lie in the short-run aspects of market gluts, price fluctuations, and chronic surpluses. By emphasizing these aspects, the great era of the "Farm Problem" has been described as one in which sectional interests tended to become dominant, while a consideration of the general welfare was made subordinate. A brief statement of the secular and persistent disequilibrium affecting American agriculture is to be found in the recent writing of Professor T. W. Schultz who points out that the main assumption underlying his formulation of the problem is that "as people become richer and as agriculture becomes more efficient, it is the low income elasticity of food and the rapid progress in farm technology that must be reconciled."¹ Therefore the income elasticity of food, changes in the size of population, changes in taste, improved knowledge of nutrition, and public measures for subsidizing consumption all enter into the total pattern which influences demand for agricultural products. On the supply side, the rate of progress in farm technology is considered to be the most important influence. If such an analysis of the problem facing American agriculture is acceptable, there is considerable support for an approach to the solution of this problem in terms of both the long and short run consequences while recognizing that there are many factors "within" and "without" agriculture which bear considerable influence. The interdependence of all segments of the economy must be recognized and agricultural (or labor or

¹ Schultz, T. W., "Two Conditions Necessary for Economic Progress in Agriculture," *The Canadian Journal of Economics and Political Science*, August, 1944, Vol. X, No. 3, p. 300.

industrial) policy formulated in terms of a sound national program if it is to be consistent with economic progress.

In the light of such a basic approach to the problems besetting agriculture, it is generally agreed that the development of industry offers the most promising means by which fundamental adjustments may be accomplished with a minimum of hardship. For example, in the recent prize winning papers on farm price policy, sponsored by the American Farm Economic Association, top ranking agricultural economists proposed that the maintenance of high levels of industrial employment is more important to farmers than any farm price policy *per se*. The general line of thought in all of these essays is that a movement of excess population from farms into other occupations is highly desirable.

Therefore manufacturing activity is likely to make its greatest contribution to the farm economy by providing job opportunities for excessive farm population. Historically, there has been a movement of people from farms into highly industrial areas, particularly in periods of high level productivity and employment. In periods of depression this trend has been reversed. But aside from cyclical migration, productive ability and technological progress serve to intensify the secular aspects. For example, the farm population in the Southwest declined about 20 per cent from 1940 to 1944, and in Arkansas slightly less. Yet crop yields and production have steadily increased over the years. Thus, even in terms of production requirements, there is considerable evidence that fewer people are needed on farms.

During the war, when an expanded war industry in Arkansas provided job opportunities, it is estimated that over twenty thousand farm workers were able to secure employment near home. In many instances the workers were farm owners who were employed only in the off season, while others from all farm tenure classes worked on a full-time basis. A study of farm workers employed in five of the large war plant indicates a very strong desire on their part to remain in occupations of greater skill and income rather than to return to employment on the farm. Therefore a permanent expansion of industry in Arkansas would

mean that the excess human resources within agriculture could be retained within the area but transferred into more productive jobs.

With the probability of an industrial pattern in which manufacturing might be expected to concentrate in larger cities of the state and with a fairly widespread development of small type industry in rural towns and sections, sizable population centers, sustained by industrial wages, would offer local markets to farmers for such items as perishable fruits and vegetables, poultry, milk, and dairy products. But with the establishment of processing plants for these products, expansion in the national market would be possible, particularly where competitive advantages are present. Thus many farmers would be permitted to diversify their operation and at the same time build up additional sources of income.

The establishment of processing plants for perishable fruits and vegetables, poultry, livestock, and dairy products would tend to stabilize the market and price situation in local producing areas. Preliminary field studies indicate that, in such areas, local producers have long been confronted with fluctuating fresh market prices and an uncertain and inadequate marketing arrangement, but with the construction of processing plants, a market has been assured and prices have been steadied at a fairly high level of return.

Still another way in which agriculture may be expected to benefit from industrial development is in the expansion of the total market for farm products as industrial raw material. In sections of the United States where agriculture has been described largely in terms of food products, it is well to recognize the point which Professor Schultz makes as to the diminishing income elasticity of the demand for food. Yet for agricultural areas such as the Southwest it is equally well to recognize that according to reliable consumer studies, the income elasticity of demand does not diminish, but actually increases in the case of industrial products such as clothing, housing items, automobiles, and recreational equipment, which may be made in part or in whole from agricultural raw materials. Therefore the long run problem may be entirely different as between strictly food prod-

ucts and farm raw materials which may be used by industry. In Arkansas, for example, cotton, cottonseed, sweet potatoes, soybeans, and peanuts, which are the principal oil and fiber crops adaptable for industrial processing, account for approximately 45 per cent of the total value of all agricultural products grown in the state. These basic products may be used for many purposes. Soybean oil, for example, makes a very fine drying oil for paints and lacquers, soybean meal is used as a base for plastics, while sweet potatoes are the source of starch and livestock feed. Cotton fibers, with special chemical treatments, may be used for many new products; while cottonseed is the base for oils, soaps, glycerin, paper, rayon, flavors, and many other items.

In addition to the market for these major agricultural products as industrial raw material, the farmer would benefit considerably if some profitable use for such crop wastes as cotton stalks, corn cobs and stalks, and rice, oat, and wheat straw could be found. Some of the recent developments in the use of rice straw and hulls indicate such possibilities as bleached cellulose for high-grade papers, abrasives, strawboard, wrapping paper, thermal insulation, roofing material, and possibly pulp for rayon. Other potential commercial uses are, of course, in production of packing material, feed, and possibly fuel.

Thus to the extent that new industrial uses may be found for agricultural products, it is reasonable to conclude that markets will be expanded and the problem of farm surpluses minimized.

Aside from the stimulation which wartime experiences and the challenge of agriculture has given to industrial planning, the fact that Arkansas is the least economically diversified of the southwestern states and has the lowest per capita income is still another reason why this state may properly concern itself with industrial prospects.

Like all other states, Arkansas is ambitious to increase its wealth and income. Historically it has produced a vast abundance and variety of agricultural, forestry, and mineral raw materials which for the most part have been shipped from the state, either in their physical form or else direct from primary processing steps. As a result the material resources base has been partially

diminished through the depletion of soil, the extraction of irreplaceable minerals, and the cutting of trees which are slow in growing. At the same time the human resources of the state have been restricted by limited opportunities. Very little industrial use has been made of these resources. In 1940, for example, approximately \$210 million worth of raw materials were produced in the state, while only \$129 million worth of manufactured products were made from these materials by local processors. Therefore, the ratio of the value of manufactured products to the value of raw materials for that year was only 61 per cent. In the case of the United States it was 295 per cent.

It is considered, therefore, that *industrial opportunity, or what is more important, the opportunity to increase wealth and income in the state, will depend in large part on the extent to which new values may be added to basic raw materials by further processing within the state.* This is the simple yet fundamental thesis of industrial planning in Arkansas.

A few examples will illustrate the extent to which additional wealth may be created by doing something more with available raw materials than merely selling them in their original form.

Arkansas farmers produce a surplus of fruits, vegetables, and other perishable foods. Historically these have been shipped to mid-western and eastern markets for consumption in fresh form. A recent study, however, indicates that if the quick freeze method of processing is employed strawberries which have sold on the fresh market for about 15 cents a pound would have an extra 5 cents per pound added to their value. For all fruits in the state which are suitable for freezing, it is indicated that the original value could be almost doubled by similar methods of processing. Arkansas vegetables which have been about 5 cents per pound on the fresh market would receive about 9 cents in additional value through processing. In the case of frozen poultry it is estimated that the mark-up in value at present prices is about 16 cents per pound.

In the case of other agricultural products the value added by manufacture as a per cent of the value of the raw material used is estimated under Arkansas conditions to be approximately 84

per cent for cotton goods, 73 per cent for house dresses, 28 per cent in the production of cheese, and 12 per cent in the case of meat packing.

In the field of forestry, according to the U. S. Census of Manufactures, the value to be added by manufacturing logs into rough lumber is approximately 60 per cent; by planing or finishing lumber, 42 per cent; by processing the planed lumber into furniture, 48 per cent. These are Census figures for Arkansas. Studies by the Bureau of Research indicate that approximately 10 times the original value may be added by complete processing into consumer goods.

Thus, by applying these few examples of value added by manufacture to even a portion of the total production of agricultural, forestry, and mineral raw materials, it is apparent that a considerable increase in the volume of wealth might be expected. The point to be demonstrated is that this creation of additional wealth in terms of added value to basic raw materials is distributed as primary income to management, labor, and to those who supply materials, power, and capital. This primary income, according to the multiplier principal, becomes secondary and tertiary income for commercial, professional, and service enterprises which expand in great proportion to a small stimulus from manufacturing activity.

Therefore, how is industrialization to be brought about? How are these new values to be created?

There are several ways to create new qualities and values in basic raw materials. One is merely to preserve the original quality throughout the marketing process, such as freezing and canning in the case of perishable foods. Another is to change the physical form, such as the conversion of wood into pulp. Still another is the extraction of products from raw materials, such as chemicals from agricultural and wood products, or the conversion of raw materials into new substances such as plastics. All of these steps in processing add new value to the original raw material. Furthermore, industrial expansion may be expected to occur with the introduction of new techniques, with the development of opportunities not hitherto utilized, or from improvements in the organization of existing enterprises.

The "Arkansas plan," as an organized effort to consider industrial development, is submitted as only one example of what is taking place in the entire Southwest. The programs in Oklahoma, Texas, and Louisiana have the same fundamental purpose, although they may differ slightly in approach. In any event, the matter of effective organization is extremely important. There are three principal agencies that are spearheading the Arkansas industrial planning. The Arkansas Economic Council-State Chamber of Commerce, which is an organization of business, farm, and industrial leaders of the state, functions through a field organization of state and county committees. The Arkansas Resources and Development Commission, comprising all departments of the state government which deal with natural resources, has developed a program of action to encourage local people to develop new types of industry and to attract outside interest to locate in the state. The University of Arkansas' Bureau of Research is responsible for determining the facts pertaining to industrial opportunities, to make new discoveries, and to make this information available to all who are concerned.

Research is therefore considered essential to an industrial planning program. As such, the first responsibility lies in building up a factual foundation and policy framework for guiding promotional agencies in their efforts to secure and develop industry. In this respect industrial planning has been considered in terms of what industry means to a community as well as from the viewpoint of advantages which a community has to offer industry, thereby determining need for industrial development in particular sections of the state in the light of sound state policy just as need for industrial development in the Southwest Region has been determined in the light of sound national policy. It follows therefore that considerable attention should be given to criteria for measuring economic conditions in various parts of the state as well as to the theory of the location of industry and all factors relating thereto, *i.e.*, management or industrial "know how," labor skills, capital resources, fuel and power, transportation facilities, competitive freight rates, and state laws and policies. For it is only in such manner that a policy framework may be constructed in which need for industry and advantages of local communities and areas become apparent.

The matter of assisting local communities in their industrial planning is another responsibility of the research agency. The experience of the Bureau of Research in this respect is that there are two approaches which might be successfully used. Local communities may study their material and human resources, taking into account all factors which affect their utilization, and then arrive at a plan for industrialization. On the other hand, communities may take a more direct approach by building up information about specific types of key industries which seem logical for the area and then direct their promotional efforts to secure such industries for the community.

Still another function of the research agency is to raise questions and stimulate thinking about industrial possibilities. In this respect a series of information bulletins such as the recent publication by the Bureau entitled "Frozen Food Industries, Plant Layout, Cost of Processing, Marketing" could have far-reaching effects.

In addition, there is considerable need for "judgment research" as a means of servicing industry and business in the state with an interpretation of the vast quantity of primary and secondary research materials which are being published by state and federal agencies.

But the greatest responsibility in the research field lies in a positive program to determine the basis upon which new values may be added to raw material resources.

For this purpose, and in order to function effectively, the program of the Bureau of Research has been organized into specific projects which with few minor exceptions include all the following phases of work: (1) Field studies to determine the type, volume, accessibility, and location of raw material resources; (2) laboratory experimentation and testing to determine the original quality, methods of improving this quality, efficient methods of processing, or new and improved uses for raw materials; (3) study of factors relating to plant operations and requirements for specific localities such as size and type of plant and quality and quantity of available water, labor, fuel, power, etc.; (4) market outlets and market competition, transportation costs, prices, state

laws and policies, and other factors which might retard or give impetus to industrial expansion.

A few examples of projects now under way or contemplated will illustrate the wide range of possibility. In the field of agricultural processing, pilot plant experiments in the operation of quick-freeze, canning, and dehydration equipment will permit a study of the mechanics and costs involved as well as a consideration of the most suitable varieties of fruits and vegetables for processing and marketing. Field work will involve the study of production areas, variety and quality, and present market outlets with regard to determining the location for agricultural processing industries. A pilot plant laboratory is proposed for studying the newer methods of processing rice in order to preserve maximum nutritional quality, with special reference to milling mechanics. Considerable thought is being given also to the use of cotton as a basis for developing textile mills in the state or else the expansion of a clothing industry which would use cotton cloth produced in textile plants of other southwestern states. The use of cotton as insulation material is thought to be highly feasible.

Still another project which is fundamental to the subject of this paper calls for intensive study of existing agricultural processing plants in the state in regard to their economic significance to farm producers and to the community as a whole.

In the field of forestry considerable thought is being given to the volume and utilization of timber stands. By means of a wood products laboratory and pilot plant it will be possible to experiment with chemical and physical treatments, fabrication, and other means of improving the quality and marketability of Arkansas' forest resources.

In the field of minerals considerable emphasis is being given to an examination of limestone materials, coal, clays, and lightweight aggregates, in terms of location, mining costs, and laboratory testing as a basis for improving mineral products or for developing new uses.

In all of this work it is the policy of the Bureau of Research to cooperate with federal, state, and private research agencies, to rely upon responsible research which has already been done,

and to avoid duplication of projects. In this respect it would be extremely desirable with regard to such projects as marketing, to go beyond state boundaries and interpret possibilities in terms of regional studies in which all states of the Southwest would participate.

Therefore a program for research and action to consider industrial planning for an agricultural state is faced with an almost unlimited number of projects. In Arkansas the guiding thesis has been to seek new, improved, and expanded uses for local raw materials in terms of such basic conditions as costs, markets, and other factors which seem to offer competitive advantages for the immediate or near future.

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A study of the literature on longevity reveals that there are several propositions which have received considerable attention. Among the leading theories found, the following are probably the most outstanding. Longevity depends to some extent upon:

1. Family traits or inheritance
2. The occupation a person follows
3. The country in which a person lives
4. The standard of living within which an individual spends his life

This study limits the inquiry to countries of origin of eminent persons and to the occupations or activities in which emphasis was achieved.

As a preliminary experiment to test the validity of the hypothesis the writer computed the mean longevity of several hundred musicians and found little to support it. This did not of course produce conclusive results, since other averages were needed for further comparison. For this purpose, a tabulation was made of the lengths of life of several hundred philosophers and they were found to have slightly greater average longevity than musicians. The difference between the means, however, could not be judged as significant without a more extensive investigation.

The continuation of the survey involved making a list of 5400 eminent persons, together with their dates of birth and death.

Longevity and Eminence

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The purpose of this study is to test the popular notion that persons endowed with exceptional talents do not live long. Upon superficial observation this belief appears to have some foundation as several famous musicians, poets, actors and writers did not live as long on an average as the general population. If this were to be proved to be true, one might conclude that nature exacts a heavy toll from those having superior abilities.

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1. Family traits or inheritance
2. The occupation a person follows
3. The century in which a person lived
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The continuation of the survey involved making a list of 9400 eminent persons, together with their dates of birth and death,

the countries in which they lived, and the occupations in which they became famous.¹

Means By Countries

The mean age for the 9400 persons was found to be 67.105 years. This can be matched with the average life expectancy of the populations of the countries which are listed in Table 1, and by this comparison the reader will observe that the eminent lived eleven years longer than the mean for the general populations.

Table I. Average Expectancy of Life of General Population Compared With Average Longevity of Eminent Persons by Countries

Countries	General Population ²	Eminent Persons	Countries	General Population ²	Eminent Persons
Australia	65.31	62.90	Belgium	57.91	68.91
Denmark	62.90	64.38	Scotland	57.75	65.12
America	62.72	68.64	Ireland	57.65	64.55
Holland	62.70	63.32	France	56.66	66.40
Norway	62.41	64.28	Austria	56.50	68.82
Sweden	62.26	63.73	Italy	54.88	65.28
England	62.26	66.48	Japan	45.68	65.51
Germany	61.33	68.01	Egypt	33.50	55.88
Canada	59.85	69.00	India	26.74	61.29

From Table I, it may be observed readily that with the exception of Australia, eminent people have a higher mean longevity than their fellowmen.

¹ The chief source of data for this study was the biographical section of Webster's *New International Dictionary*, 2nd Ed. This list contains 13,500 names, of which 4,100 were not used either because of the lack of certain data or because their occupations did not belong in any of the 24 occupational categories being studied. Names were also rejected if they could not be found in at least two other reputable sources.

No attempt was made to define eminence. When a name appeared in several fairly recent biographical dictionaries, this was accepted as evidence of eminence. The lists of biographical collections vary widely, some giving sketches of persons prominent in such special fields as music, philosophy, or mathematics while others contain accounts of famous persons in many occupations, various countries, and living during several different centuries.

² Data for the general populations were taken from the League of Nations Statistical Year-Book for 1937-1938. The League of Nations Statistical Bureau gathered these figures from national census records of the countries mentioned, and from life insurance reports in some countries. The figures for Egypt are 1917-1927. Those for the other countries are from 1920-1930, and from the 1930s.

Mean Ages By Occupation Groups

More than a century ago R. M. Madden made a study of the length of life of three groups of eminent people, 20 musicians, 20 poets, and 20 mathematicians, and he came to the conclusion that the difference between their average ages was not of much importance.³ Many years later another reference to this problem was made in which figures summarized 238 cases of the same three professional groups.⁴ While this sample was almost four times larger than Madden's it still allows only about 80 names per group. The average length of life for poets was found to be 64.05 years, mathematicians 64.26, and musicians 62.27 years. The belief was advanced that the differences between these means are too small to be significant.⁵

In the present study there have been listed 256 mathematicians, 684 poets and 343 musicians, making a total of 1283 individuals. The average age of the poets (61.94) is so far below that of musicians (67.40) as to show definite statistical significance. The mean for the mathematicians (67.11) differs from that of musicians by .29 years, and the standard error indicates that it may be due to chance alone.

Table II shows the number of persons studied. It also indicates whether the difference between the mean of each group and that of the whole assembly of 9400 persons is statistically significant or not.

Table II. Mean Length of Life of Certain Professional Groups
Part I. The means of these groups do not differ significantly from the mean of the whole group.

Professional Groups	Mean Length of Life	Number of Persons
1. Philosophers	69.57	215
2. Medical Profession	68.47	331
3. Sculptors	68.44	139
4. Musicians	67.40	343
5. Painters	67.12	772
6. Mathematicians	67.11	256
7. Statesmen	66.87	1026
8. Authors	66.64	1245
9. Actors	66.05	162

³ Dublin and Lotka, *Length of Life*. Ronald Press, New York, 1936, p. 7.

⁴ *Ibid.*

⁵ *Ibid.*

Part II. The means of these groups do differ significantly from the mean of the whole group.

10. Educators	72.56	167
11. Lawyers	72.39	270
12. Engineers	71.10	168
13. Naturalists	71.09	281
14. Social Scientists	71.01	219
15. Philologists	70.85	209
16. Astronomers	70.35	116
17. Historians	70.12	343
18. Inventors	70.09	141
19. Chemists	69.67	143
20. Theologians	69.28	745
21. Military Leaders	65.53	706
22. Poets	61.94	684
23. Explorers	59.16	196
24. Royalty	57.03	523

Significant Differences Between Means

Table II (Part II) indicates that the means of 15 groups differ so much from the whole mean that there appear to be some important factors causing the variations. Additional light will be thrown on this phenomenon by data given in Table III.

Table III. Comparative Longevity of Specific Pairs of Professional Groups.

Part I. No significant difference between the means of these pairs:

1. Astronomers	70.35	Engineers	71.10
2. Chemists	69.67	Naturalists	71.09
3. Musicians	67.40	Mathematicians	67.11
4. Medical Profession	68.47	Chemists	69.67
5. Lawyers	72.39	Educators	72.56
6. Painters	67.12	Sculptors	68.44
7. Authors	66.64	Painters	67.12
8. Social Scientists	71.01	Engineers	71.10
9. Lawyers	72.39	Astronomers	70.35
10. Philosophers	69.57	Theologians	69.28

Part II. Differences between means are significant.

1. Actors	66.05	Educators	72.56
2. Chemists	69.67	Lawyers	72.39
3. Philosophers	69.57	Actors	66.05
4. Authors	66.64	Lawyers	72.39
5. Painters	67.12	Philosophers	69.57
6. Musicians	67.40	Social Scientists	71.01
7. Poets	61.94	Inventors	70.09
8. Explorers	59.16	Statesman	66.87
9. Sculptors	68.44	Lawyers	72.39
10. Naturalists	71.09	Theologians	69.28

Since the number of possible pairs would be 552, the total list cannot be given here, but the preceding comparisons are good examples of what one would find by a continuation of the pairing process. These samples suggest that there may be a smaller frequency of significant standard errors between "Arts" groups than between "Arts" and "Sciences." The mean longevity of the combined "Arts" groups when compared with the mean of the "Science" groups shows a difference of 5.30 years, and the standard error shows that it is significant. A second comparison of the mean of the physical scientists with that of social scientists (1.625 years) shows that it is statistically apparently due to chance.

Life Expectancy Tables

Preceding paragraphs have shown that the longevity of eminent people of several different countries is greater than that of the general populations of their respective lands. Many of these renowned persons lived earlier than the years from which the means of their general populations were taken. This suggests the inquiry whether the leading people of science and the arts live longer during the present century, say 1850 to 1950, than the general population. Table IV presents the life expectancy of 774 eminent Americans who were alive at some time during this twentieth century.

Table IV. Comparative Life Expectancy of Contemporary Americans

Age Groups	American Life Tables 1930-31 ^a	Expectancy of 774 Eminent Americans (None 20 or under)
20 years	66.07	
30 years	67.57	71.86
40 years	69.25	72.30
50 years	71.54	73.35
60 years	74.73	75.67
70 years	79.22	79.42
80 years	85.27	85.93
90 years	92.88	93.46

^a Dublin and Lotka, *Life Expectancy Tables* in the appendix of the volume "Length of Life." 346.

The Nonagenarians

From the data gathered it was found that a fair proportion of eminent people lived beyond their 90th birthday; 4.80% of educators; 1.84% of authors; 1.43% of the sculptors; .95% of the philologists; and .69% of the chemists. Table V shows some of these groups who passed the ninetieth year of their lives.

Table V. Percent of Specified Groups Surviving 90 Years or Longer

Lawyers	4.84%	Poets	1.61%
Educators	4.80	Sculptors	1.43
Philosophers	4.65	Explorers	1.02
Naturalists	4.27	Philologists95
Engineers	4.11	Chemists69
Theologians	4.03	Royalty57

It is not an easy task to explain why seven times as many lawyers as chemists and five times as many philosophers as philologists, when calculated on a percentage basis, should live to be more than 90 years of age.

Conclusion

In summary, the study shows that as a rule eminent persons live longer on an average than the general population. While the study applies chiefly to people of European ancestry, the principle appears to be much more marked in such countries as Egypt, Japan, and India where eminence comes less frequently than in Europe and the United States.

Although occupational or professional differentiation appear to be associated with variations in longevity, the differences are not always significant statistically. When the differences are significant, as they frequently are, the reasons are not always apparent. There are many factors which may limit the rise to eminence even arbitrarily. For example, in the sources of data given, a military leader was seldom listed as eminent prior to attaining the grade of Brigadier General or its equivalent, and this rank is reserved for officers of middle age or above. Yet, military regulations impose retirement upon officers who are between 60 and 65 years of age. Moreover, a military leader of great potentiality may spend his life as only a name on the official register in the absence of a war to call him to spectacular service. Many other occupational peculiarities may affect eminence,

and certainly no two occupations confer equal eminence upon the great men in them. Yet, with all these limitations upon the achievement of prominence, the study shows conclusively that longevity is significantly correlated with occupational eminence, and that the average length of life of notables is greater than that of the general population who reach 20 years of age.

Table V. Percent of Notable Deaths Surviving 50 Years or Longer

Lawyers	4.5%
Physicians	4.3%
Politicians	4.2%
Scientists	4.1%
Businessmen	4.0%
Writers	3.9%
Artists	3.8%
Religious Leaders	3.7%
Other	3.6%

It is not an easy task to explain why even those as young as lawyers and chemists and five times as many philosophers and philologists, when calculated on a percentage basis, should live to be more than 50 years of age.

In summary, the study shows that as a rule eminent persons live longer on an average than the general population. When the study applies itself to people of European ancestry the principle appears to be much more marked in such countries as Italy, Japan, and India where longevity comes less frequently than in Europe and the United States. Although occupational or professional differentiation always to be associated with variations in longevity, the differences are not always significant statistically. When the differences are significant as they frequently are, the reasons are not always apparent. There are many factors which may limit the rise to eminence even rapidly. For example, in the career of a general, a military leader was seldom listed as eminent before attaining the grade of Brigadier General or its equivalent, and this rank is reserved for officers of middle age or above. Yet military regulations impose retirement upon officers who are between 50 and 55 years of age. Moreover, a military leader of great potentiality may spend his life as only a name on the official register in the absence of a war to call him to spectacular service. Many other occupational possibilities may affect eminence.

The Farmers Union
THE SOCIAL THOUGHT OF A CURRENT
AGRARIAN MOVEMENT*

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The effort of American farmers to organize themselves has been a significant but relatively little-treated aspect of American history. The Farmers Union effort is an important example in the historic movement of agrarian reform.

Among the general farm organizations, the Union has been the one most closely identified with determined attempts at agrarian reform since the days of the Farmers Alliance. The most emphasized aspect of its program has been the building of cooperatives. The present membership of the Union totals some 150,000 families, while about 350,000 families are members or patrons of the Union-sponsored cooperatives.

Starting in Texas in 1902, the Union movement spread throughout the southern states and into border and some western states by the end of the first decade of this century. Elements in the rapid though temporary success of the organization in the south included low dues, emphasis on short-comings of the credit system, stress on cooperative buying and selling, and an emotional appeal to poor cotton farmers.

During the second decade, the Union declined in most of the south. Among the reasons were a mushroom growth, an inability to sustain interest and leadership, poor business management for many of its cooperatives, and general poverty and illiteracy of the membership. With this decline in the south, the Union's chief strength shifted into the Missouri Valley states. There, terminal marketing of livestock, and later of grain, was successfully developed on the basis of local shipping associations. Since about 1928, the greatest concentration of membership and the greatest

* This paper is based upon the writer's doctoral dissertation at the University of Minnesota: *The Farmers Union — A Study in Social and Political Thought and Action* (1945).

success with Union-sponsored cooperatives has been in the spring wheat area. However, Union strength is again increasing in the lower Mississippi Valley states.

The fundamental unit in the Union's structure is the local (based on the community or township). Groups of locals form county and state Unions. The powers and functions of leadership of the National Farmers Union are still less than those of the other two leading general farm organizations — the Grange and the Farm Bureau. Policy determination is achieved through "grass roots" democratic processes. County, state, and national conventions, consisting of delegates elected by the local units, are the policy determining agencies of the organization. Promotional work is emphasized through the Union's "educational" program for youth and adults, its program of "organization" for enrolling new members, and its program for building cooperatives.

A program of lobbying has been carried on continuously by the state and national Unions since their establishment, with considerable effort being made (especially in recent years) to cooperate in this work with other like-minded groups.

Leadership has been an important element in the success of the national Union's program, although power is not highly centralized in the national unit. Three of the national's six presidents have played a large part in moulding the organization's line of thought. Charles S. Barrett, an ex-populist from Georgia, held the national post for the first twenty-two years (1906-28). He was followed after a two-year interval by John Simpson (1930-34), another ex-populist who had served many years as head of the Oklahoma Union. James G. Patton, leader of the Colorado Union, has held the national presidency since 1940, bringing the organization increasingly before the public eye. During his régime, the Farmers Union has made more of a practice than formerly of working actively on political and social issues of other than strictly agrarian concern, cooperating actively in such a program with labor and other "liberal" groups.

There have been various schools of thought within the Union on the relative emphasis to place on the cooperative and legislative phases of the program; but all have been agreed on the

principal goal, the need for raising farm living standards. To achieve this material improvement, varying emphases have been placed on cooperatives, agricultural credit, tariffs and other trade barriers, taxation, and the relationships of government and business. "Monopolies" and "middle men" have been consistently opposed, while maintenance of the "family-type" farm has been a basic objective.

During the twenties and thirties the Union advocated "cost of production" (government price-fixing) proposals as a means of bringing agricultural family incomes up to equity with urban incomes. Since November 1938, "cost of production" has been abandoned. While the Union split on support of the New Deal's agricultural program between 1932 and 1937, it has been in general agreement with the basic principles of that program since then, especially with the Farm Security Administration and crop insurance programs. During the recent war period, subsidies have been strongly supported as a means of guaranteeing incomes and filling certain commodity needs. Subsidies and price control have also been warmly supported during the war and current peace-time transition periods as a means of inflation control. In this position, the Union is in agreement with public opinion as shown in opinion polls. Recent Union proposals have urged legislation embodying a National Agricultural Relations Act, similar to the National Labor Relations Act, and a system of production contracts between each farmer and the federal government.

In theory, tariffs and other trade barriers are opposed. But while the tariff system remains, the Union demands that agricultural products grown by its own members be protected as industry is. Trade barriers in general are opposed, except for those (e.g., tariffs on butter substitutes) which are considered to "protect" the farmer.

The Union has always placed considerable emphasis on taxation, consistently favoring the progressive principle and opposing excises, especially the sales tax. More steeply graduated income, inheritance, and gift taxes are urged for both revenue and regulatory purposes. Graduated land taxes, homestead exemptions, and taxation of business and intangibles have also been advocated.

Union leaders hold that government's role in economic life must be one of increasingly active participation. Increasing attention is being given to "yard-stick" operation of industry as it may be developed in the postwar era in the principal river valleys along the lines charted by the T.V.A. Recently, the national president of the Union has advocated more extensive government planning, including a "full" employment proposal that would inaugurate a compensatory economy.

The Farmers Union has always been sympathetic toward organized and unorganized labor (including farm laborers), and has cooperated with labor on state and national levels. This has been especially true since 1940 under President James Patton. The reasons advanced for such cooperation are usually practical ones: e.g., that workers' and farmers' incomes tend to rise and fall together; that legislation favorable to farmers has historically been dependent upon the support of legislators from "labor districts." The effort is usually made to avoid showing partiality among labor groups, but the A.F. of L. has been occasionally criticized for lack of interest in the fate of the unskilled workers. Recent pronouncements have favored extension of the Wage and Hour Act and the National Labor Relations Act to farm workers and employers.

The Union has also made a practice of cooperating with other like-minded groups which (in the words of a recent statement) "genuinely seek to provide economic security, preserve democratic processes, provide distribution of abundance for all the people, and maintain our civil liberties." On such a basis, Union leaders discriminate among "liberal" and "radical" groups (which are viewed with varying degrees of approval), "conservative" groups (which are viewed with more or less suspicion), and "reactionary" or "pro-fascist" groups (which are viewed with open hostility). While these groups and tendencies are often not given precise definition, decisions usually turn on a group's stand with reference to pro-labor, pro-farm, and general "social security" types of legislation.

The Union leadership has been somewhat ahead of public opinion in advocating expanded social security benefits and fed-

eralizing of unemployment compensation, but has been about in line with public opinion in demanding federal aid for education. The preservation of civil liberties and protection of minorities receive considerable emphasis. Union leaders universally regard their own position as "liberal" or "progressive" (or occasionally even "radical"), but they are firm in their announced opposition to communism and the American Communist Party. In general, the position taken by Union leaders has been somewhat to the "left" of the New Deal program, while a number have been active in the Socialist Party.

In strictly political thought, the Union position is often implicit rather than explicit. Economic democracy is usually bracketed with political democracy as its essential counterpart and indeed usually as its pre-condition. Use of the franchise is emphasized; and recently approval of a federal ballot for soldiers and lowering of the voting age have been stressed, while the poll tax has been vigorously opposed.

Constitutional matters have received varying emphases. Some of the leaders, including ex-president John Simpson, have deplored what they regarded as "reactionary" features of the U. S. Constitution, and have favored eliminating the supreme court's veto power over legislation. Most other leaders have as a minimum program endorsed Roosevelt's court reform proposals.

There has been much criticism of the inadequacy of legislative processes and machinery, but few concrete proposals for changes in that field.

The importance of administration in government has loomed rather large in the thinking of Union leaders, while usually the stereotypes "bureaucrat" and "bureaucracy" have been deplored; and governmental planning has been emphasized.

The Farmers Union calls for this country's participating fully and actively in a strong world organization. They call for American leadership in such efforts, especially those involving economic relations. They have demanded guarantees for civil rights of minority groups and farmer and labor representation at the peace conferences. Union leaders are much more concerned with protection of minorities and a general guarantee of civil rights than

the general public is. They are more interested in social reform, in such matters as the four freedoms, and are also optimistic about the possibilities of completely eliminating wars. Also, in comparison with the general public, they are less suspicious of the postwar actions of Russia.

Union leaders have rather consistently adhered to a materialist interpretation of the causes of war, holding that these immediate causes are rooted in economic conflicts within and among nations. Certain sections of "big business" have been labelled the chief culprits in trends toward war. Pre-war Union isolationist sentiment of the twenties and thirties continued to some extent into the war period. Many Union leaders opposed passage of the conscription act of 1940, objected to giving aid to England which might involve the U. S. in war, and opposed expansion of armaments before 1940. The Union still opposes compulsory peace-time military training. Once the nation was in the recent war, however, the Union gave its full support. But, its leaders contend, there has been no "parity" of war effort among the various groups in the population. They feel that "big business" has been shown favoritism over labor and agriculture, and that to quite an extent "big business" profiteered during the war. This sentiment seems to be much less common among the general public. Both the Union leaders and the general public have supported price and wage control, with Union leaders the more lenient of the two toward allowing exceptions in the form of specific wage increases.

In politics, the Union has always in theory held to "non-partisanship" as to candidates and "partisanship" as to issues; but the theory and the practice haven't always agreed. Until November, 1937, the controlling group in the national Union was not in harmony with the program of the Roosevelt Administration. Since that date, the official majority has approved the general outlines of New Deal policy, urging its more rapid extension. President Patton's administration of the national Union has been marked by increased activity on non-agricultural issues. The current policy looks toward resurrection of the New Deal if possible, and the building of a third party only as a last resort. Union support for Roosevelt in 1944, according to the available evidence, was greater than that of the general public and much greater than that of the farmers in general, especially in the mid-west.

The Farmers Union has been one of the chief vehicles for continuing the populist tradition of agrarian reform since 1900, a period characterized by the decline of agriculture relative to other industries. In view of this relative decline, it is surprising that the agrarian protest has been no greater.

In these circumstances, the Union has made an understandable demand for extension of both political and economic democracy as means of protecting what it has regarded as human rights and its own interests.

Demands for extensions of political democracy have included advocacy of woman's political equality, direct election of senators, anti-poll tax legislation, anti-war proposals, non-partisan participation in politics by the Union, protection of minorities, reduction of the voting age, and emphasis on the importance of administration in government.

Demands for extensions of economic democracy have included advocating abolition of abuses by "middle men" and "monopolies," the progressive principle in taxation, general reduction of tariffs and trade barriers, and a proposal for "full employment" legislation.

Cooperation with other groups, especially organized labor, has been emphasized as one essential step in achieving Union goals. The Union's work for these goals has been a substantial contribution along this line.

Elements of strength in the Union program have included its opposition to poll tax restrictions, its demands for world peace machinery and for protection of minority rights, and its general demands for making government more responsive to the wishes of the people. The national welfare has been served, in greater or lesser measure, by the Union's efforts to raise the standards of rural life.

Elements of internal structural strength of the Union have included its "grass roots" democracy, the responsiveness of its officers to expressed membership sentiment, and its efforts to develop a balanced program, featuring the economic, social, and political needs of the entire farm family.

Elements of possible weakness could likewise be listed. Like other liberal or reform groups, the Union has frequently come into conflict with established programs and practices which it has felt must be changed or eliminated before progress can be made. At times this has given some the impression of a generally negative approach. Some have likewise felt that the Union's program of promoting a broad, liberal legislative program has tended to reduce its effectiveness through scattering its energies. If this is a defect, it is at least partially counter-balanced by a resulting sharpened membership awareness of general civic issues.

The consistent emphasis on peace has been excellent, although the non-economic factors of the war-peace situation have not always had sufficient emphasis. The trend in recent years seems to be toward more adequate recognition of such factors. The Union has emphasized continuously the progressive principle in taxation although occasional proposals, such as an Oklahoma Union demand to limit incomes to \$5,000, are probably visionary.

An example of economic and political leadership is President Patton's proposal in 1944 of a "full employment" law, which was the fore-runner of Senator Murray's full employment bill of 1945. This proposal elicited heated differences of opinion among national leaders; but at the very least it was a broad-gauged and dramatic challenge to political, economic, and social complacency.

The Union's basic objective has been maintenance of the family-type farm. Therefore, some of the chief emphases of its legislative programs have been on crop insurance, expanded government-provided agricultural credit, an expanded Farm Security Administration-type program, and (during the war period) selective subsidies.

While the Union has at times over-stated its case in its demands for reform, it has had wide support in its demands for a fuller economic and cultural life for farm families. Its effort has been to overcome disparities between rural and urban living standards and still retain a high degree of economic independence for the small agricultural unit, which has for some time shown tendencies to decline in relative position under the influences of mechanization, urbanization, industrialization, and the increasing interdependence of the world market. As one approach in the

effort toward maintaining the position of the small farming unit, some Union leaders have touched upon governmental encouragement of part-time, diversified farming in connection with certain types of decentralized industry. But this type of program is not in the main stream of Union thought. The possible development of cooperative farming in extensive-type farming areas and cooperative use of equipment in areas characterized by small farms have been discussed by some Union leaders.

Whatever may be said of the various programs sponsored, the Farmers Union, in carrying on the populist tradition of reform, has made a worthwhile contribution to American public life by serving as a means of expression for a considerable segment of our rural population.

The Legislative Council: A Program for Planning and Research

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The popularly elected legislature is the institutional core of representative government; yet many of its basic tools antedate the inauguration of our experiment in federalism. Static organization, antiquated procedural machinery, and lack of formal self-leadership opportunities are evils tolerated by an American public which holds in slight esteem most lawmaking activities. These evils of state government have been intensified by meticulous constitutional limitations upon powers and procedures of legislative chambers. We have acted on the theory that the proper solution lies in reducing the legislature to a state of near impotency. Consequently, this branch, of the three traditional branches, is poorly equipped to respond to social and economic problems of life in the modern state. The theory of representative government suggests broader freedom for internal legislative organization and functions with sanctions imposed by an enlightened electorate through approving or defeating candidates at the polling booth. Current trends point in the direction of: first, enhancing legislative efficiency and prestige within the existing legal framework; second, liberalizing state constitutions.

Within recent years sporadic and somewhat novel experiments in the several states give indication that the importance of strengthening our legislative institutions is beginning to be consciously realized.

These experimental programs might be divided into three interrelated groups. First, are the many projects designed to improve only limited phases of the legislative process. In this connection one recalls legislative reference and bill drafting, libraries, interim committees, statute revision, bifurcated sessions, and special agencies such as industrial and development boards. The Colorado and New Mexico Committees on Interim Legislative Committees are recent examples of this piecemeal approach to solution of the broad problem.

A second type of program was sponsored by the Wisconsin Executive Council of 1931, whose primary objective was staff aid to the governor and only incidentally to the legislature. This executive-legislative council was abolished in 1939.

A third approach is the legislative council program as a staff aid primarily for the legislature. The Kansas Council is generally recognized as a pioneer experiment in this field and the outstanding model for expansion of the program. The first constructive proposal, however, for a "genuine" legislative council was a provision in the Model State Constitution of 1921, although their program seems to be a logical culmination of the previously-mentioned experiments.

The revised Model State Constitution of 1941 provides for a council to act in the capacity of legislative joint standing interim committee. Not less than seven nor more than fifteen members are chosen by, and from a unicameral legislature. The broad objective of the program is to study problems affecting the government and general welfare of the state and to make reports thereon to the legislature. Reports are in the form of tentative bills or outlines of recommended programs. Additional powers and duties are assigned to the council by legislative act. The plan presupposes an adequate staff agency for research—a permanent central clearing house of facts for future reference. As a means of promoting more harmonious executive-legislative relationships, the Model Constitution includes the governor in council membership.

This legislative council idea of the National Municipal League has taken root slowly in state governments. The "genuine" legislative council movement was pioneered by the states of Kansas and Michigan in 1933. The Michigan Council was abolished in 1939, largely as a result of gubernatorial opposition, jealousy on the part of legislators not appointed to its membership, and rapid changes of party control. The council in Kansas, although passing through crucial periods of indiscriminate criticism, appears to be a firmly established part of the state legislature.

Complexity of governmental problems and wartime burdens of governments have stimulated the introduction of council bills

in several states. Missouri in 1943, and Alabama and Indiana in 1945, are the states most recently adopting the new plan. The difficult preliminary stage of experimentation seems to have been successfully passed; the adaptation of the technique to special needs of the individual state is the current phase of development.

Twelve states in all now have functioning legislative councils or comparable agencies. Pennsylvania has a Joint State Government Commission; Maine has a Committee on Legislative Committees; Indiana adopted a Legislative Advisory Commission; Missouri chose the name Committee on Legislative Research. In substance, although not in name, these agencies are "genuine" legislative councils. In addition, Oklahoma and Rhode Island have enacted council bills; refusal of either Senate, House or executive to participate has blocked the establishment of both councils.

In size council membership varies from eight in Indiana to twenty-seven in Kansas. In most states members are selected by, and from, the legislature. Kentucky provides for the addition of administrative members and Virginia includes two laymen. Alabama entrusts the duties of secretary to the Director of the Legislative Reference Service and Connecticut makes the Director of the Commission on Intergovernmental Cooperation the council administrator. The statute revision officers are included on council membership in a few states. Obviously, legislative confidence in the council program is enhanced if membership is exclusively from their own group. "Genuine" legislative councils should probably be regarded as merely a special committee of the lawmaking body.

With five exceptions, the presiding officers of the two legislative houses are included on the council as ex-officio members. Maryland includes the majority and minority floor leaders and the chairmen of the judiciary committees of both houses. In practice, custom usually demands that the chairmen of important standing committees of the legislature be appointed to membership. The most common practice is for the presiding officers of the legislative chambers to select members from their respective houses. Membership on the council is allotted to the two houses in the ratio of their size. Kansas, with a Senate of forty members and a House of one hundred and twenty-five, has eleven Senators and sixteen

Representatives on her council of twenty-seven. Within each house council members are usually apportioned according to the strength of the political parties represented. Attempts are made in some states, and required in Nebraska, to represent all major geographical areas. Distribution of membership is essentially democratic and encourages the continuation of majority party leadership as present in the legislature itself.

Two states include the governor on the council; in one case as an honorary, non-voting member. In at least eight states the executive is permitted and encouraged to submit messages and programs.

Legislative councils are designed to meet recognized needs long outstanding in the field of state government. The chief functions of this legislative agency are to study questions requiring legislative decision, to conduct investigations, to collect documents and information, plan a course of action and to make recommendations to the full legislative body. Adequate staffing of our lawmakers assumes increasing importance in a world whose technical demands upon government multiply almost daily. Key functions of the council idea are inter-session planning and continuous research by an impartial staff. Legislative self-leadership is thereby encouraged and the lawmaking branch fulfills more adequately the role assigned to it in our system of checks and balances.

A significant advance in techniques of lawmaking is the analyzing of impending problems and planning for their solution in advance of the sessions. It seems somewhat absurd that legislation in the modern state is a discontinuous, intermittent activity. Legislatures adjourning *sine die*, with no interim committees or council, will later reconvene in an atmosphere of confusion. Many of the opening days produce few constructive results. Lawmakers have not possessed the advantages of formal instrumentalities for channeling discussion and planning during the interim. Attention is seldom focused on impending problems; anticipating policy solutions along cooperative lines is usually not in evidence. The opening days of the session in many non-council states are characterized by duplication of bills introduced, lack of agreement as to bills meriting priority, hastily-drawn measures, misinformation,

or complete absence of fact-data, especially if technical subjects are involved, and lack of consensus of opinion from their constituents back home. Interim planning, continuous research, investigation, deliberation, tentative bill drafting, and wide public circulation of research studies are methods used by councils to expedite constructive lawmaking from the very first day of each session.

Additional council duties include the examination of previously-enacted statutes and recommendation for amendments, codification of statutes, investigation for consolidation of governmental agencies and cooperation with administrative departments. In Maryland a "roving" council studies local problems and confers with officials on both local and statewide policies. The Pennsylvania Joint Government Commission and the Kentucky Council conduct studies for interstate cooperation. The latter council has limited duties financial in nature which suggests the need for broader council powers in such fields as investigation, budgetary studies, and auditing functions. As a staff agency the council studies methods of reorganizing the legislative body itself. It appoints the personnel of the research department and exercises initial control over its activities. The power to utilize other state agencies is a feature in all states except Virginia.

Current trends indicate that the council in the future may assume the broad status of an executive committee of the legislature—a general manager with functions roughly comparable to the advisory duties of present city managers or the leadership function of a cabinet in a parliamentary government. Many comprehensive council powers are now in the embryo stage. Authority to fill in details of lawmaking by orders, binding as law until repealed by the full legislature, may not be far distant. This exercise of quasi-legislative power promises to reduce, in the first instance, rulings by the attorney-general on incomplete and defectively-drawn laws. A significant volume of lawmaking by the courts may be absorbed by the council in the exercise of this power. Dr. Guild, of the Kansas Research Department, has observed that such an ordinance power "Would force the legislature to follow legislation through to administrative adequacy and practicability." The legislative function ought not to be regarded as complete with

the enactment of a bill; legislative analysis and investigation of the practical operation of its statutes has been conspicuously absent in American practice. Future councils may possibly be empowered to give advisory rulings and interpretations of statutes.

As at present constituted councils function, officially, only after the legislature which appointed them has adjourned. In Kansas meetings are held quarterly and on call. In practice the Maryland Council has held meetings as often as twice monthly.

The mechanism for effecting council objectives is similar to that employed by standing legislative committees. Broad discretion is vested in the council to formulate its own rules of procedure. The judicial function of subpoena and the legislative duty of investigation are generally council powers. Proposals for research studies may come from other legislators, the governor, civic organizations, and from individual citizens. The proposals may be acted upon in a manner somewhat analogous to bill consideration in the full legislature. Those accepted are referred to the research department for study. Recommended programs for the coming session of the legislature evolve progressively as the opening date approaches. Council reports are made public usually thirty days prior to the session. It should be emphasized that reports serve as staff aids to legislators; they do not limit legislative powers.

Success of the entire council program depends, in no small degree, upon the efficiency and impartiality of the research department. It is designed for central clearance of fact-data—the objective liaison function between the practical politician and academician and technical expert. The department should be insulated from the caprice of politics; merit tenure should be provided for its personnel. Either the legislature or the council may request the research department to make specific studies and investigations. An important aspect of the research department program is the sending of periodic “progress” reports to legislators as the individual study advances. Theoretically, this procedure might substitute issues of policy for personalities as major determinants in the outcome of political campaigns. Here is an approximation of English practice. Policies desired by constituents are more

clearly recognized by their elected agents in the legislature when fact-finding studies are widely circulated throughout the state. Success of the research department requires willing and impartial response to its master, the legislature. The work of the Kansas Research Department has been significant in the harmonious operation of the entire council program.

Disadvantages and weaknesses of the program should not be overlooked. Opposition is basically of two types: (1) weaknesses in structure; and (2) opposition arising over the theory of the council program.

There is great concern lest the council become, in effect, a third legislative chamber or "little legislature." Legislative opposition and distrust may arise, especially from those who have never served on the council. Legislators may resent the implication that they are rubber-stamping bills proposed by the council. Potentially dangerous issues may arise when the governor is of one political party and a majority of the council membership is from another party. In conducting the council's administrative investigations extreme tact is an absolute requisite; the appearance of interfering with executive functions must be avoided. "Lame duck" councils weaken the confidence of the victorious party in the program planned. Here is a weakness which may become decisive in states where party control changes rapidly. The tendency to centralize legislative powers in a small group of legislators on the council is at least potentially dangerous.

Concrete accomplishments of the council as a staff agency of the legislature are difficult to evaluate. The program is not a panacea for all lawmaking ills—that much is certain. However, significant legislative trends seem indicative of merits claimed for the program. A council relieves the legislature of dependence upon the executive for a program. Cooperation between the two houses of the legislature is promoted by this joint committee council. Fewer major bills are introduced in council states; quality of laws appears to have been improved. The Kansas Judicial Code is an outstanding example of the latter. Advance planning and continuous research expedite legislative processes during the sessions. Jamming of the legislative hopper in the opening and

closing days of the session has been substantially reduced as a result of advance planning, investigation, and research. Since research bulletins are made public, they tend to clarify issues for the individual citizens as well as for the legislators. The hearings and conferences with executive and judicial officers, in a sense, establish a statewide discussion or forum in advance of policy decisions. Legislators are equipped to represent more accurately their constituents in states where a council acts in this forum role. The staff functions of the research department enhances legislative ability and confidence in solving policy problems, especially those of a technical nature. The council work has eliminated duplication of interim and special committees and commissions. Debate in the Kansas legislative sessions is often based upon facts furnished by the research department. Legislators, uninformed, or misinformed, appear reluctant to question the fact-data submitted by the council. Lobbyists may work at a decided disadvantage in a legislature whose members possess research material on both sides of the questions being deliberated. The council provides unofficial, but rather effective, leadership from within the legislature itself. It provides a link between incoming and outgoing legislatures. Outstanding is the contribution of bringing technical knowledge to bear in the solution of specialized modern problems. Present trends indicate that future councils may exercise more and more the full powers of an executive committee of the legislature. Council advocates believe the movement marks one of the most comprehensive and constructive attempts to provide for legislative leadership and self-improvement within the framework of existing rigid state constitutions.

Minimum Requirements for the "Good Life"

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The good life is often referred to in the Bible, the Koran, and many other religious writings. In general, the good life referred to in the Bible is more or less synonymous with Heaven. And there, again, Heaven may be on earth or somewhere beyond the earth, depending on the viewpoint or particular theology to which one may subscribe. All these religious references appear to reflect a desire within man to attain a more abundant life. In some respects, Heaven, like Hoover's prosperity, is "just around the corner" and never really attained. But hope springs eternal, at least in youth, and man continues to strive for a better way of life and a better world.

In ages past, religious leaders kept alive this striving toward a better world. Today the masses often look to the government for the good life. Russia promises the abundant life to those who survive the next "five year plan." Roosevelt and Churchill promised the world four great freedoms. Not to be outdone, the National Resource and Planning board issued a report on post-war planning in which they proposed a 40-hour work week, full employment, and not four but nine "freedoms" or "rights" to be enjoyed by all, apparently as soon as the war was over. These rights included: the right to work, to fair play, to security, to food, to free enterprise, to travel and talk, equal rights in law, the right to education and to recreation. What more could Heaven offer? The planning board seems to have selected what most people in the United States desire but very few actually attain.

The "happy hunting grounds" envisioned by the American Indian is another sample of this desire for a better life which may spur people to almost superhuman efforts. As is true of most of our religious philosophies, the poor Indian had to die to attain this happy status. The idea that one might attain at least a semblance of Heaven here on earth has grown in recent years and many "Modern" religious leaders are giving considerable thought to such a possibility. While the "fundamentalists" are trying to suppress such "loose thinking," many of the younger generation

of church leaders are coming to realize that the creation of a better world is more important than preparing a man's soul for a problematic life hereafter. This newer philosophy is largely the result of a growing tendency among religious leaders to study the social sciences as well as theology. To such students it becomes obvious that the good life is possible here on earth for a much greater number than now enjoy it.

In 1937, in a lecture in Denton, Stuart Chase made the rather startling statement that the United States cannot afford to let the average family live on less than \$2400 per year income. His main discussion centered around the fact that there is a high correlation between crime and disease on the one hand and low income on the other. The speaker proceeded to show that it would be cheaper to pay the minimum income suggested, than to pay for the enormous amount of crime and disease that now prevails.

In the June, 1945, issue of the SSSQ, Alton R. Hodgins has an excellent paper on "Consumption and the Good Life." He defines the good life as "the sort of life which is led by all persons of character and good repute." But in his detailed list of requirements for the good life he appears to eliminate nearly everyone. In his opinion, "In only the most obscure and unlikely cases can there be a positive correlation between insecurity with periodic want and the achievement of a full, abundant life of the spirit." He further states that "It is difficult for the rich man to enter the kingdom of the good life; he has, literally, too much baggage." While the kingdom of heaven, as described in the Bible, makes a special appeal to the poor and suffering, the kingdom of the good life seems to eliminate all low income groups.

This paper is concerned primarily with the minimum essentials for the good life. How far above the poverty line must a family rise in order to be eligible for the good life? Is the \$2400 per year suggested by Stuart Chase sufficient as of 1945 or 1946? One of the really scientific studies along this line has been carried on in San Francisco by the Heller Committee for Research in Social Economics.¹ This committee has worked out wartime budgets for three income levels, based on "frozen" price levels which are 20% higher than the pre-war prices of 1939-40-41. Prices are

¹ The University of California Press, Berkeley, California. *Wartime Budgets for Three Income Levels.*

for San Francisco as of March, 1945. This paper is concerned only with the lowest of the three income levels, that of a family of a wage earner. The family consists of a man, wife, boy of 13, and girl of 8. "These budgets are designed to show items and quantities necessary to maintain a standard of 'health and decency' for the specific family types." This committee found the minimum income necessary to meet these conditions to be \$2775. This budget allows no savings except a small amount of life insurance, and social security. All war bonds would have to be cashed as rapidly as bought, unless the income was supplemented by overtime pay, or by other members of the family working for wages.

The Heller Committee has been carrying on this type of study for the last twenty years. They have available hundreds of actual budgets for people in several types of industry. Their statistics are probably as reliable as any available. It may be true that prices are somewhat higher in San Francisco than in the average community in the United States. Comparable statistics are not available on such an elaborate scale for any other region. The writer carried on a small scale check for Denton, Texas. Twenty-five advanced college students at NTSC were asked to estimate what it would have cost a family of four to live in a good five room home on a good street in Denton for the year 1945. Each student was also asked to have one Denton Citizen fill out the same kind of sheet. The results are given in Figure 1.

FIGURE 1
MINIMUM REQUIREMENTS FOR THE GOOD LIFE
(For a family of four, consisting of man, wife, boy of 13, and girl of 8.
For the year 1945—prices as of March, 1945.)

	Heller Foundation for San Francisco	25 NTSC Students Estimate for Denton	25 Citizens Estimate for Denton
1. All taxes	\$ 266.00	\$ 310.00	\$ 200.00
2. Food	978.34	720.00	720.00
3. Housing, includ. rent, water, light, fuel ...	540.93	756.00	660.00
4. Clothing	290.93	605.00	600.00
5. Miscellaneous*	699.52	1000.00	768.00
	\$2775.72	\$3391.00	\$2948.00
* Miscellaneous, as shown by the Heller Foundation, includes:			
a. Automobile upkeep	\$137.79	g. Tobacco	\$ 27.30
b. Medical care	179.02	h. Gifts	14.35
c. Life Insurance	113.38	i. Association dues	37.84
d. Care of the Person	59.46	j. Church and Charity	18.00
e. Recreation	56.47	k. Other items	29.66
f. Carfare	26.25		

While the estimates for Denton are not scientifically arrived at, it is at least interesting to note that instead of being lower the estimates are higher than the data presented by the Heller Foundation. This may be due in part to the fact that the Denton people were thinking in terms of March, 1946, instead of March, 1945, even though the sheet used called for 1945 estimates.

Assuming that the figures presented by the Heller Foundation are approximately right for the minimum requirements for the good life, let us see what part of the people of the United States are eligible. How many families have an income of \$2775 per year? The War Labor Board has estimated that as of March, 1945, there were 14,000,000 war workers averaging only 70 cents an hour.²

On a 48-hour-week basis for the whole year, this gives us 7,000,000 receiving less than \$1600 in 1945. The early part of 1945 represented the peak in wages for war industries. Many of these workers were "laid off" before the end of 1945. The possible \$1600 represents a little more than half the income needed for the good life. Even at the peak of wartime wages it is doubtful if one-fourth of the wage earners in the United States received as much as \$2775 per year.

Now that the war is more or less over, we find a general reduction in both per hour pay and the number of hours per week. The assurance of steady pay for the whole year is also much less than during the war. A Senate subcommittee has debated for months the 65 cent minimum wage scale and its passage seems uncertain at this time. The Gallup poll of April 6, 1946, shows that 65% of the people favor the 65 cents an hour minimum wage, and only 29% disapprove it. Even the farmers, who were supposed to be against the bill, were 50% in favor and 42% against. Sixty-five cents an hour for a standard work week of 40 hours is \$1300 for a year of steady work. This is \$200 a year less than the Heller Foundation found necessary for the average family on relief, or "maintenance" as they prefer to call it.³

² Frank, Stan, "Labor Answers the G. I." Collier's, Oct. 13, 1945.

³ Restricted Quantity and Cost Budget for Maintenance of Family or Children. Heller Committee for Research in Social Economics. University of California Press, 1945.

The Senate subcommittee working on the minimum wage bill now proposes to attach to the bill a corresponding increase in farm prices, in order to "protect" the farmers from the effects of the higher wages for farm workers. Or is it an attempt to gain the farm vote in the coming elections? At any rate, President Truman has promised to veto the labor bill if the farm price amendment is attached. It is obvious that no one gains by a wage increase if there is a corresponding increase in the price of goods.

We thus see the possibilities of the good life denied all but a very small percent of the American people. The church promises the good life only after a lifetime of service and usually of suffering. The government offers a reasonable wage to most of its full-time employees but offers the masses little help in securing more than a sub-maintenance income. Is it any wonder that the masses of the working people are joining any kind of labor organization that promises a chance to enjoy the good life? Unless decent wages are assured the great majority of our working people, it is simply a matter of time until the labor organizations become powerful enough to control politics and the government. Then our government will rapidly tend toward a dictatorship which may result in less real democracy than the present capitalistic system.

America has the resources, the labor, and the capital with which to provide the good life for everyone. Where there is one willing worker per family of four, the good life should be available. Our people need the good life, not 60,000,000 jobs as advocated by Henry Wallace and others. It is sometimes argued that if we raise the wages of the poor we simply increase the birth rate and thus multiply the problem rather than solving it. Statistics of various sorts show that as the American people approach the income needed for the good life, the number of children decreases. As pointed out in the May issue of the *American Magazine*,⁴ "Our increase in population is coming almost entirely from the least educated, least successful, and lowest I. Q. third of our human resources." This article also quotes Professor P. K. Whelpton,

⁴ Burch, Guy Irving, Director of Population Reference Bureau, "The World Has Too Many People," *American Magazine*, May, 1946, pp. 38-39.

of the Scripps Population Foundation to the effect that "A Stationary population of 100,000,000 would be better from an economic standpoint than our present 140 million." A decent minimum wage plus more and better birth control information would undoubtedly work toward the solution of this phase of the problem.

The good life as here advocated is in accord with those who wish to create a better world here and now. Most people will agree with Governor Arnall of Georgia that "poverty leads to ignorance, disease, unrest, and hatred."⁵ Poverty is the curse of much of the South and various other sections of the United States. Much of the money now spent for disease, crime, relief, and even charity, should be so spent as to create a better standard of living for the low income people. The good life would free the American family from slavery and permit the companionship necessary for proper child development. It would encourage a normal family of four or five and reduce the divorce rate. Each member of the family would become a booster for the American way of life. The world could then point to America as the land of the good life, here and now.

⁵ Governor E. J. Arnall, in a lecture at NTSC, Feb. 15, 1946.

The Guayaquil and Quito Railway, Ecuador

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Nowhere are adequate means of transportation more important than in South America; but at the same time no continent presents greater obstacles to the building of highways and railroads. Ecuador has suffered acutely from this dilemma.

Geographically the country is divided into three sections. The coastal hills and swampy Guayas lowlands give way abruptly to the steep ranges of the Andes. The two high cordilleras are crossed by transverse ridges, forming a series of intermont basins, in which the population is concentrated. The eastern slopes of the Andes, tapering off toward the Amazon basin, constitute the region usually referred to as the "Oriente." This vast area is so sparsely inhabited that it is of little practical significance in the national life of Ecuador.

Most of Ecuador's two or three million people live in the western lowlands or in the valleys of the Andes. The contrast between the coast and the interior is accentuated by the diversity of racial elements living in the different sections. The people of the interior are largely pure Indian. Three centuries of Spanish domination have left these descendants of the once proud Incas in a servile state, carrying on their subsistence agriculture in much the same way as when Pizarro's men first descended upon them. On the coast we find a more active and aggressive population. The proportion of whites and mestizos is higher, and whatever trade and commerce Ecuador carried on in the early days of her independence emanated almost entirely from that region. Tropical products — above all cocoa — were and still are exported through the port of Guayaquil, which, as a result of its strategic trade location, has become the largest and most prosperous city of the Republic. But while the commercial life of the country has always been concentrated in the lowland region, Quito has remained the political center of Ecuador, despite the fact that neither in population nor in wealth could it equal Guayaquil. The latter, more accessible to outside influence, has long been the center of progressive ideas and a hotbed of revolutions, while the interior con-

tinues the stronghold of conservatism and church influence. This conflict of interests rendered national unity extremely precarious, doubtful and weak at best. One of the most important historical problems of Ecuador has been this sectionalism, exploited by ambitions caudillos for their personal interest. Without a strong uniting bond there would always remain two Ecuadors instead of one.¹

Until the turn of the century, whatever communication there was between the coast and the interior was by muleback or horseback. Since this traffic was not only slow, hazardous, and wearisome, but very expensive,² only the scantiest of trade was carried on. On the fertile agricultural lands of the inter-Andean valleys only such crops as could be consumed locally were grown, since without adequate transportation there was no market for specialized produce. Nor could there be much industrial development in such an isolated region, although the comparatively dense population, the mineral resources, water power, and favorable climate would eventually make such development not only possible but desirable. Whatever manufactured articles were consumed in the country had, in the main, to be imported at great expense. Clearly, for economic progress, agricultural and industrial growth, and greater national unity, a cheap and dependable means of transportation between the lowlands and the interior was an imperative necessity.

But while the need for an effective transportation system was all too obvious, the obstacles that any builder of highways or railroads had to face were staggering. Natural barriers, political instability, and the poverty of the country combined to make railroad construction a trying task, which President Eloy Alfaro and other railroad enthusiasts might never have tackled had they not believed so firmly that railway transportation would initiate a brilliant commercial and industrial future for Ecuador, raising

¹ Preston E. James, *Latin America*, New York: Lothrop, Lee and Shephard Co., 1942, pp. 120-135; Albert B. Franklin, *Ecuador, Portrait of a People*, Garden City, N. Y.: Doubleday Doran and Co., Inc., 1943, *passim*.

² Report of Consul Beach, March 1, 1884, *U. S. Consular Reports*, Vol. XII, No. 41 (May, 1884), 476-477.

her inevitably to the "exalted position among South American nations which she deserved."³

From the time the first rail of the "Southern Railway" (as the Guayaquil-Quito Railway is called in Ecuador) was laid in 1873 until the first locomotive entered Quito (during General Alfaro's second administration) thirty-five years elapsed. President Gabriel García Moreno, the most distinguished leader of the Conservative party, took the first practical steps in the sixties and seventies to link Quito and other towns of the interior with the coast. He built the first modern road Ecuador ever had, a two hundred and fifty kilometer highway from Quito along the inter-Andean plateau to Sibambe. His intention was to construct a railroad between Sibambe and the village of Yaguachi, and from there connection with Guayaquil was to be made by steamer down the Yaguachi River. Altogether some thirty miles of railroad were built in the lowlands between Yaguachi and Barranagetal during his administration.

The assassination of García Moreno on August 6, 1875, however brought his entire program of public works to a standstill, and during the next twenty years, little progress was made. An additional fourteen miles of track were laid between Durán and Yaguachi in the late eighties and the line was also extended from Barranagetal eastward to Chimbo. But neither government engineers nor successive contractors found it possible to scale the mountain barriers between Chimbo and Sibambe and thus to complete the connection with García Moreno's highway. Meantime, the section of the railway which had been completed was rapidly deteriorating.⁴

To receive new impetus, the railway enterprise had to await the régime of the great liberal president, Eloy Alfaro, one of the most colorful figures of Ecuadorian history. In 1864, at the

³ Mensaje del Presidente de la República sobre bases y modificaciones al proyecto de contrato del Ferrocarril, June 9, 1897, *Recopilación de Mensajes dirigidos por los Presidentes y Vicepresidentes de la República, Jefes Supremos y Gobiernos Provisorios a las Convenciones y Congresos Nacionales*, Alejandro Noboa, (ed.), IV, Guayaquil: Imprenta de El Tiempo, 1907, 349.

⁴ Roberto Crespo Ordoñez, *Historia del Ferrocarril del Sur*, Quito: Imprenta Nacional, 1933, chps. I-IV.

age of twenty-two, he was exiled for participation in a revolutionary uprising in his native province of Manabí. During the next thirty years he took part in no less than ten revolts against Conservative and Liberal presidents alike, earning for himself the epithet, the "Old Campaigner." His eleventh revolution finally brought him to power in 1896. He served as President until 1901, when he voluntarily relinquished his office to Leónidas Plaza Gutiérrez. In 1906 he again seized the government by revolution. Shortly before the end of his term he was forced from office by a popular uprising. When he returned after a year of exile as leader of another revolt, he was taken prisoner and hacked to pieces by a mob in Quito.⁵

Restless, energetic, dramatic, with a flair for publicity, Alfaro tended to overestimate his own influence in determining the course of national and international events. But that he was the leading spirit in the building of the Transandine railway, there can be no doubt. Even his political opponents were willing to admit that he had a major share in promoting the enterprise.⁶ Immediately after assuming office in 1896, Alfaro hired a British engineer to make plans and surveys for the continuation of the line from Chimbo,⁷ and somewhat later he appointed a commission of three to examine the work already done. At the same time he urged the national legislature in the most eloquent terms to authorize the continuation of the railroad. In his impatience to see the work begun he even imported six hundred tons of rails before Congress could take action on his suggestions!⁸ In December, 1896, the Ecuadorian minister in Washington was instructed to interest American capitalists in the enterprise. It was not long before the minister reported that a group of American business men were interested in forming a syndicate for the construction of the rail-

⁵ Jorge Pérez Concha, *Eloy Alfaro, Su Vida y Su Obra*, Quito: Talleres Gráficos de Educación, 1942.

⁶ Eloy Alfaro, *Historia del Ferrocarril de Guayaquil a Quito*, Quito: Nariz del Diablo, 1931, *passim*. República del Ecuador, *Anales de la Cámara de Senadores*, Congreso Ordinario de 1902, Quito: Imprenta Nacional, 1903, 124-127.

⁷ Mensaje del Jefe Supremo de la República a la Convención Nacional, October 10, 1896, Noboa, (ed.), *op. cit.*, IV, 216.

⁸ Mensaje especial sobre la Obra del Ferrocarril del Sur dirigido a la Convención Nacional por el Presidente Interino de la República, *ibid.*, 265-269.

road, and the Ecuadorian Congress authorized the Executive to enter into negotiations.

In March, 1897, a representative of the American syndicate, Archer Harman, arrived in Quito. He was soon second in importance only to Eloy Alfaro in the history of the railroad. The opponents of the Liberal régime attacked Harman, bitterly denouncing his company as a "criminal association" designed to "plunder the nation and to turn it over to the Yankees," and charges of corruption and dishonesty were heard constantly. On the other hand, Alfaro spoke of Harman with highest praise, accusing the conservative-clerical opposition of hampering progress under the shield of "the holy religion of our ancestors," while conspiring against the Liberal government.⁹ At any rate, Harman possessed energy, skill, and determination, and he accomplished at least one thing — he completed the railroad to Quito. The "Old Campaigner" found this vigorous North-American railroad engineer a man after his own heart.¹⁰ Nevertheless, there can be no doubt that the building of the railroad was accompanied by an endless array of unpleasant incidents, and transactions on the part of the contractors which do not measure up to the highest business ethics.

Archer Harman, a Virginian and the son of a Confederate officer, had gained considerable experience as a railroad engineer in the United States before he tackled this new job in 1897.¹¹ Negotiations begun as soon as he arrived in Quito resulted in a contract which Congress approved on June 14, 1897.¹² It provided for the construction of a "first class railroad" from Chimbo to Quito, with branch lines to Ríobamba and Ambato, and the repair of the section from Durán to Chimbo built several years previously. The entire work was to be completed within six years. The company was to operate the railroad for seventy-

⁹ Alfaro, *op. cit.*, 22.

¹⁰ C. Lockhart, "Opening the Richness of the Andes," *World's Work*, II (October, 1901), 1271-1277.

¹¹ Editorial, *Bulletin of the Pan American Union*, XXIII (October, 1911.), 788-789.

¹² Decreto Legislativo de la Asamblea Nacional, *Recopilación de Leyes Decretos Legislativos y Ejecutivos y Convenios Relacionados con el Ramo de Crédito Público en la República del Ecuador*, Quito: Talleres de El Comercio, 1911, 104-105.

five years after its completion, at which time the line would revert to the government free of any obligation. To cover the estimated cost of the railway, 17,532,000 dollars, the company was to issue 12,282,000 dollars in six per cent bonds and 5,250,000 dollars in seven per cent cumulative preferred stock. Furthermore, the railroad company was to issue 7,932,999 dollars common stock, forty-nine per cent to go to the government and fifty-one per cent to the contractors.

All income from the railroad was to be used to cover operating expense and maintenance, payment of dividends on the preferred as well as the common stock, and service of the six per cent bonds. If the income should be insufficient to cover interest and amortization of these bonds, the government would have to service them from its own funds. The revenue from import and export duties was earmarked to guarantee these payments. Finally the contract stipulated technical details, granted the railroad company such privileges as free right of way, land for stations, work shops, etc., free import of construction materials, freedom from taxation and exemption from military service for railroad employees.¹³

On September 7, 1897, the Guayaquil and Quito Railway Company was incorporated in New Jersey, and it was expected that actual work could begin promptly. Soon, however, rumors were afloat that Ecuador was assuming financial burdens far in excess of her resources and that the terms of the agreement ran contrary to the national interest. Distrust among prospective bondholders was spread by opponents of the enterprise who pointed out that Ecuador had only recently repudiated her foreign debt and that her credit abroad was anything but enviable. In short, opposition to the railway enterprise assumed alarming proportions. The issue came to a head in September, 1898, when the Chamber of Deputies in secret session passed a decree prohibiting the executive from carrying out the terms of the contract of June 14, 1897.

When President Alfaro heard of the action of the Deputies he went before the Senate in an effort to stem the tide of opposi-

¹³ Ordoñez, *op. cit.*, 69-70.

tion there. But bitterly as he might denounce the decree as a "mortal stab in the very heart of the Republic" and a "disastrous scandal for the nation," the Senate upheld the decree of the Deputies, and Alfaro solemnly renounced "all responsibility for the ominous consequences which must necessarily result from such an action."¹⁴

Alfaro felt that his administration had so far committed itself in the matter of the railroad that any retreat would mean political ruin to him and his party. On one occasion he claims to have declared that if the Harman enterprise should fail he would leave the presidency and personally direct the construction of the railroad.¹⁵ However, by adopting a conciliatory tone towards the opposition, he was finally able to effect a compromise.¹⁶ On November 26, 1898, a supplementary contract was signed, designed in general to give the government more control over the transactions of the company. The only concession the company obtained was an extension of the time limit for the construction of the railroad from six to ten years.¹⁷

One other matter remained to be settled. In order to sell the railway bonds in the New York and London stock markets at a reasonable price it was necessary to pay off or refund the foreign debt, the so-called "English debt," which had a long and involved history, dating back to the days of the wars for independence. The early twenties had witnessed a great speculative boom in England. The Spanish colonies, struggling to free themselves from the mother country, had floated loans and obtained credits running into millions of pounds. From 1822 to 1824 the Republic of *La Gran Colombia* had obtained loans in England totaling six million pounds. When a few years later Venezuela and Ecuador proclaimed their independence from the Colombian Republic, the

¹⁴ Mensaje del Presidente de la República a la Honorable Cámara del Senado, Referente al Ferrocarril Trasandino, 15 September, 1898, Noboa, (ed.), *op. cit.*, IV, 374-376. Mensaje . . . objetando un Decreto de Ley de las Cámaras Legislativas, *ibid.*, 377-383.

¹⁵ Alfaro, *op. cit.*, 30-36.

¹⁶ República del Ecuador, *Anales de la Cámara de Senadores*, Congreso Ordinario de 1902, Quito: Imprenta Nacional, 1903, 103-105.

¹⁷ Contrato Celebrado entre el Supremo Gobierno y la Compañía del Ferrocarril del Sur, *Recopilación de Leyes . . . Relacionados con el Ramo de Crédito Público*, 125-135.

latter was not willing to shoulder the entire burden of the English debt. According to an agreement concluded in 1834, Ecuador assumed 21½ per cent of all obligations incurred by the parent republic.¹⁸

La Gran Colombia, even before its political disintegration, had defaulted on the English debt. Ecuador, in the next fifty years managed to reduce both principal and interest of her share by various refunding agreements. But approximately 750,000 pounds of 4½ per cent bonds were still outstanding when Alfaro seized power in 1896. He immediately ordered all payments on these bonds stopped, only to find shortly afterwards that the repudiation of the debt jeopardized his favorite project by hampering the sale of the railroad bonds. As the lesser of the two evils Alfaro chose to recognize the hated debt once more and to reach a settlement with the bondholders. Negotiations between the Ecuadorian government, the railway company, and the bondholders dragged on until 1903, when the old debt was formally cancelled.¹⁹

Construction of the railway was begun in 1899. Even under the most favorable political and financial conditions it would have been a difficult task to build a railroad across the Andes. Between the seaport and the capital the railway climbs more than nine thousand feet, passing from tropical jungle to eternal snow. From Durán the line proceeds north and east towards the Andes over fifty miles of jungle lowland, with soil soft and marshy, and often flooded by the tides flowing up the Guayas River. Reaching the foot of the Andes at Bucay, at an elevation of slightly over one thousand feet, the railway begins a steep climb over the Western Cordillera. From Bucay Junction to Sibambe — a distance of about twenty-five miles — the train climbs seven thousand feet. Creeping still higher, the railway arrives at Palmira Pass at ten thousand feet, descending from there about 1500 feet to Ríobamba, one of the main agricultural and industrial centers

¹⁸ Convención entre la Nueva Granada y Venezuela y Aceptada por el Ecuador sobre Reconocimiento y División de los Créditos Activo y Pasivo de Colombia, Aurelio Noboa, (ed), *Collección de Tratados, Convenciones, Capitulaciones, Armisticios y Otrós Actos Diplomáticos*, Guayaquil: Imprenta de A. Noboa, 1902, II, 130-139.

¹⁹ Decreto Legislativo, Aprueba el Contrato Celebrado entre el Gobierno y Archer Harman para la Cancelación de la Deuda Externa, *ibid.*, 28-29.

of the interior. Climbing steadily once more, the railroad reaches its highest elevation at Chimborazo Pass, 11,840 feet above sea level. From there it descends abruptly to Ambato at a level of 8,430 feet. For some distance, the track then follows the comparatively level Latacunga valley to the last steep climb over the base of Cotopaxí, the highest active volcano on earth. Descending from the 11,650 feet elevation reached at the base of Cotopaxí and following once more the inter-Andean valley, the railway finally reaches Quito, nine thousand feet above sea level.²⁰ Archer Harman had a difficult job on his hands, to say the least!

The old section of the track, between Durán and Chimbo, sadly in need of repair, was overhauled completely.²¹ From Chimbo eastward it was planned to reach the height of the Western Cordillera by a system of loops. During the first winter about nine kilometers of track were laid and some thirteen more were graded. But in February of 1900 the rainfall was so unusually heavy that it produced a succession of landslides and washouts, which caused the death of several engineers and devastated all the work done since the summer of 1899. The damage was so extensive that the engineers became convinced that a less dangerous alternative route must be found.²²

Had not British financiers come to the rescue, this serious setback during the first winter would probably have meant the doom of the railway company. The original American sponsors of the company had been much disturbed by the hostility of the Ecuadorian Congress and the nullification of the contract in 1898. Many of the most prominent stockholders had withdrawn. Only with difficulty had Harman been able to persuade a number of them not to abandon the project. The disaster of the first winter was too much for even these, however. The American interests

²⁰ W. W. Rasor, "Railway Transportation in Ecuador," *The Pan American Magazine*, Vol. XXXII, No. 1 (December 1920), 43-48. W. Robert Moore, "From Sea to Clouds in Ecuador," *The National Geographic Magazine*, Vol. LXXX, No. 6 (December 1941), 717-726.

²¹ "The Guayaquil and Quito Railway of Ecuador," *The Railway Age*, XXXIV (August 8, 1902), 134-138.

²² William D. Beatty, "Some Features of the Guayaquil and Quito Railway, Ecuador," *Proceedings of the Engineers Club of Philadelphia*, Vol. XX, No. 1 (January, 1903), 119-120.

sold out to the Ecuadorian Association in England, which in turn made a contract with the J. P. McDonald Company of New York for the construction of the railway.²³

After a survey of all possible routes across the Andes, it was decided to build the line via the Chan Chan and Alausí valleys. In 1900 work on the modified route was begun. The Chan Chan valley is narrow and rugged, the river turbulent and extremely winding. Not only was it necessary to cross and recross the Chan Chan river many times, entailing an immense amount of expensive bridge work, but many tributaries, ravines, and precipices had to be spanned. Within a distance of twenty-four miles forty-one bridges were built. The Alausí river, which the railroad follows beyond the so-called "Devil's Nose," had to be bridged twenty-two times and the river was diverted at several places to avoid even more crossings. The seventy-two steel bridges in the mountain section required six million pounds of steel. To reach the Alausí basin from the foot of the "Devil's Nose" an elaborate system of switchbacks and a long double loop were required. The ledge upon which the train zigzags up the mountain was cut out of solid rock. Heading north from Sibambe the track proceeded up the Chan Chan until it passed the first switch. Then the train would have to back uphill for a mile or so, giving the passengers a birds-eye view of Sibambe. Having passed the second switch, it would move forward again, passing above Sibambe for the third time.²⁴

Once construction had reached the Alausí basin the worst was over, although the going along the inter-Andean plateau was not as easy as hoped for. Just beyond Alausí some large ravines had to be spanned by viaducts, the largest of them 373 feet long and 122 feet high, while another is 340 feet long and 59 feet high.²⁵ Soft and unstable volcanic ground, slight but frequent earthquakes, and unsuspected underground crevices giving way under the weight of the work train, added to the difficulties.²⁶

²³ "Railway Development in Ecuador," *Transport* (London), XVIII (May 10, 1901), 381-382.

²⁴ Beatty, *op. cit.*, 123-125; Franklin, *op. cit.*, 249.

²⁵ Beatty, *op. cit.*, 124.

²⁶ Alfaro, *op. cit.*, 42, 51.

One of the greatest problems was the transport of supplies and construction materials. Rails, ties, cars, engines, dynamite, cement and a multitude of other provisions and equipment had to be imported from abroad and shipped to the interior. As there were no roads whatever in the Chan Chan valley, the company had to build its own trail. Rivers were crossed by temporary wooden bridges or suspension bridges made of telegraph wire. Sometimes the road was hardly more than a narrow shelf cut out of the side of the mountain. Over this rough path supplies were brought by pack trains. The laborers of the Union Pacific railway had dubbed their advancing camps, "Hell on Wheels;" a more appropriate name here would have been "Hell on Muleback." To transport heavy equipment which could not be carried by pack mule, temporary timber trestles were laid across the rivers during the dry season, ox teams dragging the necessary logs and sticks along the partly finished grade. As soon as the condition of the grading permitted, track was laid on temporary ties, and equipment brought in by train. Since it was almost impossible to use grading machinery most of the grading was done by pick and shovel.²⁷

Where did the company obtain the necessary labor for all this work? The tropical part of Ecuador is sparsely inhabited, and none of the peons from the rather densely populated mountain valleys could be persuaded to work in the lowland region, for they feared the hot, humid climate, the dense jungle growth and the tropical downpours. The only solution was to import workers. Within the first two years several thousand Jamaicans, more than three hundred Barbadians, and several hundred Puerto Ricans were brought to Ecuador for work.²⁸ The J. P. McDonald Construction Company made a contract with the Jamaican government for up to ten thousand workers, who were to receive free transportation to Ecuador, proper dwellings and medical care, and from fifty to sixty cents for a ten-hour day. They would have to remain in the employ of the company at least two years under this arrangement. About three thousand five hundred Jamaicans were sent to Ecuador. Although the best labor that could be obtained,

²⁷ Beatty, *op. cit.*, 127-128.

²⁸ "Across the Equator in a Parlor Car," *Bulletin of the Pan American Union*, XXXV (November, 1912), 923.

the Jamaicans were not always easy to control. Strikes and riots broke out on several occasions. After receiving several months' pay many of the men deserted and wandered about the country, although most of them returned when their money gave out. Employment with the sugar planters along the road also drew large numbers away. So many seemed to prefer plantation life to railroading that the Ecuadorian government had to intervene, making the employment of Jamaican labor (except by the railway contractors) a misdemeanor and compelling the return of those already hired²⁹

As the railway advanced towards the Andean plateau, native labor was increasingly relied on, but the turnover was very high. Wages of workers ranged from sixty to seventy-five cents a day, as competition between contractors and subcontractors forced the rates above the prevailing rate in the region.³⁰ Though the total labor force has been estimated as high as ten thousand at one time, it was probably for the most part considerably less. From start to finish the administrative and technical staff came almost entirely from the United States. Colonel John A. Harman, West Point graduate and brother of Archer Harman, served as chief engineer and general manager.³¹

Mortality figures are not available, but there is some evidence that disease and accidents took their toll of workers' lives. One of the engineers reported "poor food" and an "absolute lack of sanitary arrangements."³² A serious epidemic of smallpox broke out among the Jamaicans on one occasion. General Alfaro relates that at another time all workers clearing the road suddenly fell ill with "headache and fever" caused by "the bite of small insects."³³ Several workers were killed by poisonous snakes, and although "tigers" (jaguars) did not generally attack the men, they frequently attacked mules and donkeys.³⁴ John Harman suc-

²⁹ "Construction difficulties on the Guayaquil and Quito Railway," *Engineering Record*, L (October 22, 1904), 477-478.

³⁰ Beatty, *op. cit.*, 130-131.

³¹ "Across the Equator in a Parlor Car," *Bulletin of the Pan American Union*, XXXI (November, 1912), 925.

³² Beatty, *op. cit.*, 130.

³³ Alfaro, *op. cit.*, 29-30.

³⁴ John A. Harman, "The Guayaquil and Quito Railway in Ecuador," *Engineering News*, Vol. LII, No. 6 (August 11, 1904), 117.

cumbed to "malignant fever" and another engineer died of sunstroke. How many were caught by the landslides in the winter of 1900 we do not know.

With so many difficulties to overcome it is not surprising that construction should have fallen behind schedule. Five years after the signing of the contract only thirty-five miles of track had been completed. Riobamba was not reached until 1905. When according to the contract the time limit for the completion of the railway expired in June, 1907, no track was as yet laid beyond Ambato.³⁵ Not until June, 1908, did the rails at last reach the suburbs of Quito. Forgotten for the moment, then, were all the woes and disappointments of the past eleven years, as Ecuador prepared to celebrate the triumph of its President's most cherished project. The last spike, made of gold, was driven by General Alfaro's daughter, América. Official celebrations lasted for several days, with speeches, luncheons, and diplomatic receptions; Theodore Roosevelt cabled his "earnest congratulations" to President Alfaro as an indication of the friendly interest of the United States.³⁶ The people paraded in the streets decorated with flags and triumphal arches.³⁷ Enthusiasm swept the country. Alfaro's magic word — *Ferrocarril* — had become a reality!

Formidable technical obstacles had been overcome. In addition the contractors had been almost constantly harrassed by political and financial problems. The contracts of 1897 and 1898 contained a hodge-podge of provisions which inevitably led to differences of interpretation and friction between the company and the government. While General Alfaro was in power, trouble was averted for the simple reason that he treated the company with such indulgence that the contractors could not possibly complain. During the administration of General Plaza Gutiérrez (1901-1906) the cordial relationship between the government and the company changed. Politically, General Gutiérrez found himself in a stronger position than Alfaro had enjoyed. He could take credit for what-

³⁵ U. S. Department of Commerce and Labor, *Monthly Consular and Trade Reports*, No. 318 (1907), 147.

³⁶ *Papers Relating to the Foreign Relations of the United States*, 1908, 276-279.

³⁷ *Bulletin of the International Bureau of the American Republics*, XXVII (August, 1908), 278-280.

ever the railroad might accomplish during his administration, while on the other hand he could attribute mistakes, failures, and financial difficulties to the previous administration and its excessively liberal policy toward the railway company. In fact, as latent opposition to the railroad had continued after 1898, a stricter policy toward the contractors would win the Guitérrez régime the support of all the malcontents of Alfaro's administration. Hence, General Gutiérrez did everything in his power to continue construction of the railway and to keep up service of the bonds so as to improve Ecuador's credit abroad, while at the same time berating the company for its practices.

For example, a large number of bridges was required to cross and recross the Chan Chan river, as has been indicated, thus greatly adding to the cost of construction. To save money, the company built a considerable number of wooden bridges. The Minister of Public Works, however, protested that the Ecuadorian government had contracted for a "first class railroad." Wooden bridges, he maintained, did not meet this qualification.³⁸ The company had to yield and agree to replace all wooden bridges between Bucay and Guamote with stone and steel structures.³⁹ In another instance the company, given the right to "use national highways and bridges wherever practicable" according to the contract of 1897, interpreted their privilege literally and used the national highway built by García Moreno as a roadbed for the railway!⁴⁰ No doubt, this greatly simplified the grading, but it destroyed Ecuador's one good road! Vigorous protests from the Minister of Public Works resulted in a contract providing that, if crossed by the railway, this or any other road must be left in perfect condition; the damage already done to the national highway was to be repaired.⁴¹

The branch line to be built through Ríobamba presented a problem important for its political implications. Ríobamba, capital of the province of Chimborazo and an important trading center of the interior, has a great tradition of local patriotism. From the

³⁸ *Registro Oficial*, No. 589, 11 September 1903.

³⁹ *Ibid.*, No. 511, 3 June 1903.

⁴⁰ *Ibid.*, No. 471, 16 April 1903.

⁴¹ Contrato de 20 de Octubre de 1904, *Recopilación de Leyes . . . Relacionados con el Ramo de Crédito Público*, 145-147.

first the civic pride of its citizens had been offended by the fact that the contract of 1897 provided for a branch line only to their town. Promptly they began to agitate for a modification of the railway plans so as to have the main line pass through Ríobamba. As the province of Chimborazo had always been one of the main strongholds of Conservatism, Alfaro was anxious to give his opponents no opportunity to stir up anti-administration sentiment. Congress, therefore, upon his request, modified the contract of 1897.⁴² But as time grew short and money scarce the company ignored the modification. Resulting resentment in Ríobamba was increased by dissatisfaction over the choice of Don Lizardo García as President Gutiérrez's successor in 1906. When in December of that year General Alfaro revolted against the government of Lizardo García, Ríobamba immediately joined the cause of the "Old Campaigner" and helped put him into office. The belief that Alfaro was the only man able to induce the Guayaquil and Quito Railway Company to make the desired change in the railway line is said to have been an important factor in determining the political allegiance of Ríobamba.⁴³ Shortly after his return to power Alfaro signed a contract with the Company providing for the construction of the line from San Juan Chico directly to Ríobamba.⁴⁴ The contract, however, was allowed to lapse and for eighteen years the citizens of the Chimborazo capital clamored in vain for their "rights." Not until 1918 was construction of the railway from San Juan Chico to Ríobamba begun — under President Alfredo Basquerizo Moreno — and the work was not finished until 1924. On June 8 of that year the first train entered Ríobamba over the new line. When, a month later, the old branch line was torn up, there was great rejoicing by the people of the city. The first rail lifted was carried to the townhall in triumphant procession to rest there as a trophy of victory.⁴⁵

⁴² Mensaje del Presidente de la República acerca de la Reforma del Artículo 5 del Contrato del Ferrocarril Trasandino, September 21, 1899, Alejandro Noboa, (ed.), *op. cit.*, IV, 448. Decreto Legislativo, October 31, 1900, *Recopilación de Leyes . . . Relacionados con el Ramo de Crédito Público*, 135-136.

⁴³ Alfaro, *op. cit.*, 45-48.

⁴⁴ Contrato de 21 de Septiembre de 1906, *Recopilación de Leyes . . . Relacionados con el Ramo de Crédito Público*, 160-161.

⁴⁵ Ordoñez, *op. cit.*, 156-157, 161-162.

The financing of the railway enterprise remained throughout one of the most important problems. In his special report to Congress in 1903, the Minister of Public Works complained that the Railway Company had recorded items as "operating expense" which should have been classed as "construction cost." The distinction between these two accounts was significant, because under the contract of 1897 the government was obliged to make up deficits in the "operating expense," while "construction costs" were charged entirely to the company. Furthermore, if the net operating income was insufficient to service the railway bonds, the government had to pay interest and amortization from its customs revenue. Hence, the Minister of Public Works charged, the confusion in the bookkeeping system was a deliberate attempt on the part of the contractors to shift their obligations to the government.⁴⁶ To avoid just such abuse, the government, in 1903, was relieved of the obligation of making up the deficit, in case the railway income was inadequate to cover cost of maintenance and repair.⁴⁷

If true, as Minister Córdova alleged, that the company tried to evade its obligations, it was also true that from first to last the contractors were short of money. Expenses had far exceeded the estimated cost. On the other hand Ecuador's credit was so weak that bonds which the Company received in payment had to be sold considerably below par, at times as low as forty per cent, according to Alfaro.⁴⁸ The company, therefore, constantly demanded more bonds from the government, sums far in excess of the amounts justified by the work actually completed. President Gutiérrez made some effort to limit the amounts the company was to receive,⁴⁹ but fortunately for the contractors, General Alfaro, after assuming the presidency again in 1906, did not adhere to his predecessor's policy, continuing instead to advance large amounts to the company. When the railway reached San Miguel, the \$12,282,000 in bonds provided for in the contract of 1897 had

⁴⁶ Informe del Ministro de Obras Públicas sobre el Ferrocarril Transandino al Congreso de 1903, *Registro Oficial*, No. 589, 11 September 1903.

⁴⁷ Contrato de 18 de Mayo de 1903, *Recopilación de Leyes . . . Relacionados con el Ramo de Crédito Público*, 143.

⁴⁸ Alfaro, *op. cit.*, 42, 53.

⁴⁹ Mensaje del Presidente de la República al Congreso Nacional, August 10, 1905, Alejandro Noboa, (ed.), *op. cit.*, V, 302-305.

been used up.⁵⁰ But come what may, Alfaro was determined that the railway should reach Quito. When no other resources were available, he transferred to the company over one million sucres held in the Treasury for payment of interest on the railway bonds for the second half year of 1907, taking it upon himself to appease the disappointed bondholders. In addition, Alfaro granted the railway two further loans, totaling 600,000 sucres, having obtained the money from the merchants of Guayaquil.⁵¹

The gravest objection to these continued financial advances was the fact that as more railway bonds were released, the sums which the government had to pay for interest and amortization rose higher with no corresponding value in the form of work completed on the railway. Only with difficulty had President Gutiérrez managed to service the railway bonds without interruption. President Alfaro, after giving the company the money intended for the coupon for the second half of 1907, defaulted on the interest payments for 1908 and the first half of 1909.

In the meantime discontent with the railway and its promoters was increasing. The ten-year period for the completion of the line expired on 14 June 1907, but despite strenuous efforts the first train did not arrive in Quito until the following year, as we have seen. Agitation that the Company had forfeited its rights as a result of its failure to complete the railway on time and that the government, therefore, should take over the line without further ado, became so widespread that the contractors feared that not even Alfaro's personal influence could protect them any longer.⁵² To forestall any "proposed spoliation of the property rights of American citizens," a formal protest was lodged with the Ecuadorian Minister for Foreign Affairs through the United States Department of State.⁵³

To complicate matters further, the bondholders had refused to accept a contract signed January 11, 1908, between the government, the railway company, and the Council of Foreign Bond-

⁵⁰ Alfaro, *op. cit.*, 54.

⁵¹ *Mensaje del Presidente de la República al Congreso Nacional Relativo al Ferrocarril Transandino*, October 1, 1908, Quito: Imprenta Nacional, 1908, 6-7.

⁵² *Papers Relating to the Foreign Relations of the United States*, 1907, I, 385.

⁵³ *Ibid.*, 385-387.

holders for the settlement of interest payments for 1907 and 1908.⁵⁴ Finally, although the completion of the railway had been celebrated with great rejoicing in June 1908, the first locomotive had reached the capital only as a result of incredible improvisations. The line was by no means fit for the opening of traffic. Much work remained to be done, and rolling stock and equipment were completely lacking, as were funds for their purchase. It was, therefore, high time that steps be taken to compose all pending differences between the government, the railway company, and the bondholders.

Although it was first decided to resort to arbitration as provided in the contract of 1897, a private agreement was concluded in September 1908.⁵⁵ Financial differences were adjusted and the company was given two years to put the railway into satisfactory running condition.⁵⁶

In December 1910, the contractors declared their work completed. But before the government could formally take over the railway, an uprising in Quito forced President Alfaro to resign. At about the same time, Archer Harman, while taking one of his customary horseback rides on his estate in Virginia, was thrown from his horse and killed.⁵⁷ With the loss of its two chief leaders and promoters the railway enterprise faced new difficulties. The relations between the company and the government rapidly deteriorated into a tedious wrangle which did not cease until 1925 when the government gained control of the company.

Before accepting the railway in behalf of the government, Alfaro's successor, President Emilio Estrada, ordered a thorough technical investigation of the entire line to determine whether the company had complied with its obligations. The two engineers

⁵⁴ Contrato Celebrado entre el Gobierno de Ecuador y la "Guayaquil y Quito Railway Company" para el pago de tres cupones de los bonos Ferrocarrileros, *Registro Oficial*, No. 612, March 6, 1908.

⁵⁵ *Papers Relating to the Foreign Relations of the United States*, 1907, I, 389-390.

⁵⁶ Codificación del Contrato ad-referendum de Transacción acerca de las diferencias surgidas entre el Supremo Gobierno y la Compañía del Ferrocarril del Sur, *Recopilación de Leyes . . . Relacionados con el Ramo de Crédito Público*, 165-179.

⁵⁷ Editorial, *Bulletin of the Pan American Union*, XIII (October, 1911), 788-789.

entrusted with the task declared the railway defective in many respects, and recommended that the government should not accept it in its present condition. Upon publication of the government report the contractors presented one of their own, attempting to show that the government engineers were incompetent and their charges false. President Estrada submitted both reports to Congress.⁵⁸ A special commission appointed to study all problems connected with the railway proposed that all differences between the government and the company be submitted to arbitration.⁵⁹

Before further action could be taken, the death of President Estrada provoked another revolution, the last in which General Alfaro had a part.⁶⁰ Both the government forces and the revolutionaries used the railway to transport troops and supplies. The railway company, fearful that considerable damage might be inflicted on its property in the course of the fighting, called upon the United States government for aid. In answer to anxious inquiries, the State Department was assured by the Ecuadorian Chargé in Washington that the constitutional government would do everything to protect the railway property and would compensate the company for any possible loss.⁶¹ Not content, however, to rely on assurances alone, the American government sent the naval vessel "Yorktown" to Guayaquil, authorizing the commander to land troops if he considered it necessary to safeguard American interests. Although E. H. Norton, who had succeeded Archer Harman as President of the railway company, asked for a landing party, the military attaché of the American Legation declined the request since in his estimation the mere "coming of the Yorktown and the presence of [American] warships in Ecuadorian waters . . . had the desired moral effect, . . . [and had] minimized the damage to the railroad property."

The financial situation of the railway, never strong, became even tighter as a result of the revolutionary disturbances. The company presented to the government a bill totaling over 820,000

⁵⁸ *Registro Oficial*, 27 September 1911.

⁵⁹ Ordoñez, *op. cit.*, 138-144

⁶⁰ For a summary of the events of the revolution see, *Papers Relating to the Foreign Relations of the United States*, 1912, pp. 319-392.

⁶¹ *Ibid.*, 394-397.

sucres for services rendered during the revolution,⁶² and through the United States Department of State pressed for immediate payment of at least one hundred thousand sucres to obtain a shipload of coal; otherwise they would have to suspend operations.⁶³ President Gutiérrez, although willing to pay one hundred thousand sucres towards claims presented by the company, insisted that the bill was excessive. Since further efforts on the part of the State Department to obtain a satisfactory settlement of the company's claims resulted only in protests by the Ecuadorian Minister for Foreign Affairs against diplomatic intervention on the part of the United States, and since even the American Chargé d'Affaires in Quito admitted that the "government of Ecuador [had] many just grounds for complaint against the railway," the State Department and the railway company agreed to the request of President Gutiérrez that all pending questions be submitted to arbitration.⁶⁴

The complaints of the government were many and varied. As already mentioned, the government held that the railroad "was constructed flimsily, without the slightest professional conscience." Furthermore, the bookkeeping system of the company was not only highly irregular, but the company officials refused to give government agents free access to books, invoices and other documents, and despite repeated requests failed to furnish the government a list of stockholders. The most indignant protests of the government, however, were directed against the practice of organizing subsidiary companies controlled by Harman and his associates, companies which were piling up profits at the expense of the railway. The most objectionable of these organizations, the Express Company, was given the exclusive right to handle the freight and passenger traffic. Into its treasury went no less than sixty per cent of all income from the railway, leaving only forty per cent to the railway company. Their rates, furthermore, were discriminatory, special rebates and other concessions enabling the favored shippers to establish "odious monopolies." Finally,

⁶² *Informe que el Ministro de lo Interior, Policía y Obras Públicas Presenta a la Nación en 1912*, Quito: Talleres Nacionales de Imprenta y Encuadernación, 1912, xxxiii-xxxv.

⁶³ *Papers Relating to the Foreign Relations of the United States*, 1912, p. 413.

⁶⁴ *Ibid.*, 413-419.

it was charged that the railway service was poor, that many of the cars were old and uncomfortable, that trains did not run according to schedule, that baggage of passengers was snatched up by agents of the Express Company and put in the company's freight cars, to be returned only upon payment of freight charges, and that frequent derailments and slides obliged the passengers "to spend long hours by day and by night without any accommodation whatever among the snows of the Andes." All in all, the railway company was, according to President Gutiérrez, "an immense dump for gold with no profit to any of the interested parties except the gentlemen who manage the company according to their own sovereign will."⁶⁵

The company denied these accusations, some of which, no doubt, were exaggerated. In return it presented its demands for payment of services rendered and damages suffered during the revolution, as well as for interest payments on which the government had been in default for some time.

All these issues were to be settled by arbitration, and arbitrators were appointed late in 1912.⁶⁶ Preliminary discussions, begun in March, 1913, were stalled by disagreements over the forms and procedure of the tribunal and by April 9 a complete deadlock led the American arbitrator to leave Quito. Subsequent efforts at arbitration met with similar failure.⁶⁷

Meantime the American State Department brought pressure upon the Ecuadorian government to resume payments of interest on the railway bonds, which had been suspended since 1913. Several times the government resumed partial payments, but each time these were suspended again after a short period, evoking new protests from the American government. To the many representations of the American diplomats, however, the Ecuadorian Minister for Foreign Affairs replied consistently that the United States had no right to diplomatic intervention in a purely private business relation between the Ecuadorian government and the

⁶⁵ *Informe que el Ministro de lo Interior, Policía, y Obras Públicas Presenta a la Nación en 1912*, 258-278. Ordoñez, *op. cit.*, 138-144. *Papers Relating to the Foreign Relations of the United States*, 1915, pp. 357-360, 348-350.

⁶⁶ *Ibid.*, 1912, pp. 421-422.

⁶⁷ *Ibid.*, 1913, pp. 480-483, 485, 492-494; 1914, pp. 275-276; 1915, p. 363.

railway company. The more insistent the State Department became, the more outspoken was the Foreign Minister in his complaints against the conduct of the United States, which he maintained, was not only contrary to international law but violated the avowed principles of the American government. Had not Wilson said in his presidential campaign of 1912 that the United States must govern its policy "by the rules of justice, liberality, and goodwill," that it must think of "the protection of American honor rather than American contracts . . . and place [its] diplomacy on the plane on which great thinkers are anxious to place humanity"? How could the American government defend the threat of force against a weak country in behalf of a private railroad company?⁶⁸ The Minister, furthermore, pointed out that the Ecuadorian government had merely guaranteed interest payments on the six per cent bonds in case the company was unable to pay. If it had not been for the inefficient and dishonest administration of the railway, the Foreign Minister charged, the company would have had sufficient income to pay the interest. Nevertheless, the government declared itself willing to pay interest on the bonds in full as soon as it was able to do so. Its inability to pay was due, it pleaded, solely to the large expenditures incurred during the revolution of 1912 and the interruption of much of Ecuador's foreign trade after 1914 as a result of the European war.

The State Department, however, insisted that it found "ample warrant for its diplomatic intervention in the needed protection for large American interests threatened with destruction through failure of [the] government of Ecuador to respect its contractual obligations and in the whole record of the dealings by [the] government with the American interests."⁶⁹ When in 1915 the Ecuadorian government set aside forty per cent of the import duties for the sanitation of Guayaquil, the United States Minister lodged a formal protest against the use of any part of the customs revenue for purposes other than the payment of interest on the railway bonds.⁷⁰ The official promotion of other public works

⁶⁸ *Ibid.*, 261-262.

⁶⁹ *Ibid.*, 1917, p. 736.

⁷⁰ *Ibid.*, 1915, p. 342.

called forth similar objections. Several attempts of the Ecuadorian government to secure loans in England and in the United States failed because the Department of State let it be known that it would disapprove of any loan to be granted to Ecuador, unless the Ecuadorian government first settled its differences with the railway company, and unless the loan contract contained definite provisions for the payment of back interest on the railway bonds from the proceeds of the loan.⁷¹

When all these methods failed to produce the desired result, the State Department, in June 1918, threatened that the War Trade Board would restrict considerably, if not entirely, the import of cocoa from Ecuador into the United States unless the Ecuadorian government immediately resumed interest payments on the railway bonds. Since cocoa is the chief export product of Ecuador and since trade with Europe was already seriously hampered by the war, such a restriction would have deprived the cocoa growers of their last major market, with disastrous economic consequences to the country as a whole. The Ecuadorian government, therefore, while vigorously objecting to this "ultimatum" of the United States, offered to use all the revenue from the shipments of cocoa for the payment of interest. In July the War Trade Board thus authorized import of 7200 tons of cocoa. When the Ecuadorian government, however, failed to live up to its promises, the United States stopped all shipments of cocoa to the United States. This step caused much bitterness and hostility toward the American government. After the signing of the armistice in Europe, the War Trade Board, in November, 1918, finally authorized the resumption of cocoa import from Ecuador.⁷²

After this unpleasant experience, relations between the government and the railway company began to improve somewhat. As a result of extended negotiations between government and railway officials a *modus vivendi* was reached in April, 1919. The company pledged itself to improve the railway service, to permit closer government supervision of its affairs and to strive for greater economy in its operations.⁷³

⁷¹ *Ibid.*, 1915, pp. 353-354, 356-360, 370-373; 1916, pp. 265-268.

⁷² *Ibid.*, 404-425.

⁷³ *Ibid.*, 1919, II, 182-185.

A number of factors help to explain the apparent change of attitude on the part of the railway officials. The railway company had never been popular with a considerable number of people in and out of the government. When, after 1912, the company resorted to diplomatic action to secure its rights, sentiment against the "Yankee capitalists" became intense, and the Ecuadorian government did nothing to discourage such feelings. On the contrary, it found it advantageous to consolidate its position at home by arousing sentiment against a foreign government. That some of the defiant notes of the Foreign Minister to the American government were intended as much for "home consumption" as for the benefit of the American Secretary of State, would seem to be indicated by the fact that in 1918 the Foreign Office published some of its correspondence with the State Department, particularly statements highly critical of the conduct of the American government. These were promptly reprinted in the press and stirred up a great deal of bitterness against the United States.⁷⁴ The railway officials must have realized that a hostile public opinion harmed their own interests. Furthermore, the company could not deny that the Ecuadorian government had merely assumed guarantee of the bonds and that the interest on the bonds should have been paid out of the earnings of the railway. Several times, therefore, the company issued statements to the State Department to prove that it was absolutely unable to make any payments of interest because of its critical financial situation due to the increased cost of fuel and other imported materials, resulting from the war of 1914 and the depreciation of the Ecuadorian currency during and after the war. The bonds, moreover, according to the contract of 1897, were guaranteed by a first mortgage on the railway property. The railway officials feared that the English bondholders might take action if neither the company nor the Ecuadorian government paid interest on the bonds. In fact, the State Department and the railway company claimed that the Ecuadorian government was making deliberate efforts to induce the British bondholders to join the Ecuadorian government in an effort to force the company to accede to the government's demands. Statements of the President to the Council

⁷⁴ *Ibid.*, 1918, pp. 406-408.

⁷⁵ *Ibid.*, 1916, p. 268; 1917, pp. 744-745.

of Foreign Bondholders and the press lent color to this charge.⁷⁶ At any rate, in 1919, the British Foreign Office declared that it could no longer "incur the responsibility of endeavoring to dissuade the Council of Foreign Bondholders from adopting a course which they may consider the only measure of safeguarding British interests," and approved foreclosure proceedings against the Guayaquil and Quito Railway Company.⁷⁷

The continued interference of the State Department in behalf of the railway company finally threatened to handicap American business expansion in Ecuador. In the early twenties oil deposits in the Santa Elena region west of Guayaquil were beginning to be exploited on a considerable scale. Mining concessions in different parts of the country increasingly attracted foreign capital, and agricultural production expanded. The American government became aware of the disadvantage that American business suffered from the strained relations between Ecuador and the United States, when the Ecuadorian government in 1920, failing to secure a twenty million dollar loan in the United States, negotiated for a large loan to be granted by the Italian government or by prominent Italian bankers with official backing. The Italian banking interests were to receive important commercial concessions, such as a monopoly of the tobacco trade, preference in contracts for the exploitation of forests, minerals, particularly oil deposits, coal mines, etc. Although these negotiations finally collapsed, they helped to arouse the State Department to attempt to improve Ecuadorian-American relations.⁷⁸

Moreover, railway officials eventually came to realize that the only hope for an improvement of the financial condition of the company lay in cooperation with the government of Ecuador to stimulate export trade and thus increase the railway revenue. In 1923 the manager of the company went to Panama to promote the sale of foodstuffs there, and questionnaires were sent to Ecuadorian farmers to obtain information as to the quantities of foodstuffs that might be raised. At the same time, Archer Harman, Jr., tried to persuade the government to appoint a

⁷⁶ *Ibid.*, 1915, p. 343; 1920, pp. 203-204, 205-206.

⁷⁷ *Ibid.*, 1919, II, 194.

⁷⁸ *Ibid.*, 1920, II, 174-185.

financial expert to bring some order into the chaos of governmental finance.⁷⁹

Encouraging as were these improvements in the relations between the company and the government, the *modus vivendi* of 1919, and a second agreement signed in 1921,⁸⁰ were at best a truce between the contending parties. New quarrels threatened to break out and the government finally decided to end, once and for all, the tedious wrangle by purchasing the majority of the stock of the railway company. As early as 1915 the heirs of Archer Harman had offered to sell their shares to the government.⁸¹ But at that time the national treasury had been too empty for such a purchase. As a result of the transaction accomplished in 1925, the government owned seventy-five per cent of the railway stock and thus, for all practical purposes, controlled the enterprise.⁸² The long struggle between the American interests and the Ecuadorian government thus came to an undramatic close. Ecuador still had to pay off the bonded debt, but it now virtually owned its largest railroad, and profits as well as liabilities henceforth were its own.

⁷⁹ *Ibid.*, 1922, p. 932.

⁸⁰ *Ibid.*, 1921, I, 887-893.

⁸¹ *Ibid.*, 1915, 350.

⁸² John Moody, *Moody's Analysis of Investments and Security Rating Service, Railroad Securities*, 1925, New York: Moody's Investor Service, 1747, 1080.

Our Democratic Heritage*

J. L. REYNOLDS

REYNOLDS METALS CO.

RICHMOND, VA.

Mr. Chairman, Ladies and Gentlemen:

I want to speak to you tonight as a co-heirs of democracy and fellow squanderers of our great inheritance. I am going to touch on three topics that affect every person in the country as an individual because they are three of the most important legacies that were left to us, and three which we have been squandering by failing to make the most effective use of them. They are: Public Education; Public Health and the Preservation of Peace.

About a century and a half ago democracy had some champions, some crusaders, great salesmen such as Thomas Paine and Thomas Jefferson. These men sold democracy so effectively that the people rose up and declared their independence and fought their way to freedom. Their success was so great that the momentum from it has carried on for 170 years. But during that time we have grown careless and negligent of our great inheritance. This overconfidence on our part is dangerous and could prove disastrous. For the mind of a people is always in a plastic state . . . capable of being molded by pressure to the philosophy most diligently applied. Champions of other theories of government are spending vast sums of money and are using the most modern subtle methods available to mold the minds of our people to an acceptance of their forms of government.

The American mind, though accepting democracy, is being subjected to great pressure from other sources. As one example of this pressure I have, myself, in the past year, received no less than 36 pamphlets sponsoring either in shallow disguise or openly principles foreign to our democracy.

We are complacent under the assumption that democracy has already been sold to the people of America, and that its principles will be learned automatically by future generations. Take the leading brands of cigarettes as an example. In order to maintain popularity among the people, cigarettes require constant sales promotion and advertising. Any let-up in the quality or pressure of that advertising is reflected in decreased sales within a short period of time. Advertising and selling is to an idea as steam is to the speed of a locomotive. As long as the pressure is put on, the train will keep moving. As soon as it is cut off, the train

* Speech made to the Southwestern Social Science Association at Fort Worth, Texas, April 19, 1946.

will lose its momentum and eventually come to a stand still. Today we put more effort behind selling a brand of peanuts than we do to selling democracy! Let's admit that our government is not perfect and that a discriminating discontent is good for it. Each generation should shape it to its changing needs. Yet, with all its faults, let us remember that under it we have become the most prosperous people in the world and we got where we are now because of our democratic form of government . . . We owe more in this country to individual leaders and inventive geniuses than we can calculate. One of the greatest of these, Thomas Edison, pointed out to my father the importance of freedom to the work of an inventor. He said "Young fellow, don't ever forget the importance of a democratic form of government. You know when I was carrying on my experiments on the incandescent lamp if I had been required to gain the permission for it from almost any group of the then leading scientists I don't believe I could have done it." It is a matter of record that when Edison appeared before an academy of world famous scientists in London they scoffed at his claims and denounced him as a phony scientist.

Throughout history authority has never become wise enough to distinguish between the genius and the fool. In this country we have found the advantages derived from the one make it worth our while putting up with both.

Along this line there is one thing that alarms me. I am afraid there is a practice creeping into our economy which tends to freeze the individual laborer to the laboring class. Our American philosophy has always been to advance by personal achievement and not by group or political standing, or simply by seniority of service.

The great trouble today between management and labor is ignorance . . . each of the other's problems. The only solution to this problem is proper education of the individual, teaching the necessity for mutual cooperation. We have come to think of business enterprise as being composed of only three phases; Capital, Management and Labor. We overlooked the most important part of all—the big boss. The one who employs all capital, all management and all labor, the one who pays the total bill. He is the forgotten man, the customer. His share in business is a steady supply of goods and services. Neither management nor labor because of their differences or squabbles have a right to take it upon themselves without consultation or consent to cut this Silent Partner out of his just share. That's getting back to taxation without representation. When will the great consuming public demand its rights. It is the consumer who is the true heir

of democracy, the legal ruler of the land. And he should be, because the whole is greater than any of its parts. All of this is true, but how are you going to organize this great mass of people to effect a unified command. The answer lies somewhere hidden deep down in education.

The greatest resource and power in America—superior to atomic energy—is the human mind, and it is our duty to develop it to its fullest capabilities. During the war, in my own state of Virginia thirty thousand able-bodied men, willing and able to fight, were turned down because of illiteracy alone. Our teachers and schools are doing a marvelous job with children and formal educational subjects. We are beginning to realize that this is not enough. There is no such thing as a school age. We cannot allow education to stop in the school house. We must continually teach our people how to live, how to make a living, how to govern themselves. Russia is already ahead of us in this type of education.

At about the turn of the century the entertainment industry seized upon a new invention and developed it into our great moving picture industry. It is not complimentary to our educational system to realize that they were asleep to the great potentialities of this invention. To ignore it further would be almost as foolish as giving up the use of the printing press.

Today the number of books the average man reads in a year doesn't compare with the number of movies he sees. The most widely read printed matter today are the comic strips because they have pictures. The Chinese said one picture was worth 10,000 words. You can realize how true this is. Figure how many words it would take you to describe the face of a friend so that a stranger could recognize him.

We should have for our people vocational pictures, teaching the farmers the best methods of farming, teaching our laborers higher skills. A whole adult educational system should be set up so that in any town in America the citizens could take a moving picture course in any subject. A small fee of 10c or 25c per student would probably pay the entire cost.

In order to coordinate this work through out the land it might be advisable to create a new cabinet post—that of Secretary of Education. In all events we certainly should make one series of pictures a comprehensive history of the United States, high lighting the factors that have contributed to make ours a great nation; showing the fortitude and perseverance of the founders, the effort and ingenuity of the men and women who have blazed

the trails that have led this democracy to an honored place among the nations of the world. Such a picture could be shown year after year to each new generation. It could also be sent abroad to foreign countries and shown to great masses of people in those countries to correct false ideas about our own country and its history that have been given in many entertainment films already seen by those people . . . ideas that gangsters, thieves and even wild Indians predominate in American life today. To give you an example of how such ideas do get about, I asked a British Indian representative in Washington if the book, "Mother India" gave a clear picture of conditions in India. He said that he had no doubt that everything mentioned in the book was true, but that if he wrote a book on New York and limited his subject matter to gangster warfare, criminal cases, insane asylums, poverty districts, and other un-wholesome subjects, would that be a true picture of New York City?

The adoption of such a policy into our educational systems would by no means replace the need for teachers or the need for study. on the contrary, it would develop a desire for study and a thirst for knowledge to replace the dangerous disinterestedness and illiteracy among our people. It would help our teachers in the work they are now doing, and bring to the teaching profession the higher level of salaries and the greater recognition they so richly deserve for the great and important task of molding the minds of our people in the channels of enlightenment and freedom.

But to accomplish this, we must not and cannot expect *Hollywood* to turn teacher. It is rather for the men and women whose profession is teaching to master the technicalities of the moving picture and bring it to the people as a new medium of instruction. To coordinate our educational systems so that the masses of people of this country receive the proper stimulus for knowledge and backgrounds for citizenship, we have another great social problem before us—Public Health. In speaking of public health, I want to make it clear that I am not recommending socialized medicine, but rather a concentrated effort on the part of the people of this country to attack disease as a national problem. Methods of surgery have improved, it is true, and certain new drugs have been discovered. We are slowly progressing. Our doctors and research men are doing the best job they can with the limited funds and facilities given them. But let us study for a moment three of America's worst killers—tuberculosis, cancer and heart trouble? In 1943, tuberculosis took over 57,000 lives; cancer took over 400,000. A total of more than 600,000 lives lost in one year because of these three enemies of mankind. There have been more people

killed by these diseases than by any human enemy we have ever fought.

If our Congress knew that we had a human enemy that was threatening to take 15 million lives in 25 years, how long would it take them to declare war? To appropriate the necessary funds? To draft the manpower needed to protect us? Why won't we formally declare war against these terrible enemies? It is because disease germs are so small they cannot be seen. If they were the size of lions or tigers, and were roaming our streets and devouring our people visibly, we would then quickly demand that our government provide adequate protection for us regardless of the cost! In this country we have thousands of trained scientists and research men qualified to combat this enemy. We must draft them for this work. What other assignment is so important to the people. For centuries men of science have tried to find the secret of the atomic bomb, but it wasn't until a coordinated effort was made, with enough financial backing that the problem was solved. If the problem of public health were to be tackled with the same vigor, persistence and financial backing with which the problem of the atomic bomb was tackled, there is no question, but that we would conquer these diseases.

The agencies at present working against cancer and tuberculosis are doing a fine job, but in order to lick the problem in time for you and me and our generation to get the benefit of it, we must have a coordinated effort made now.

While we are on this subject why should we fear or hesitate to tackle old age itself? We learned to fly from the birds . . . perhaps the elephant or the turtle has a lesson for us as well . . . even the ancient Redwood trees of California might be persuaded to yield up their secret of longevity. Who among us wouldn't be inclined to see some money spent to find the cause and remedy for the wrinkled skin of old age? What would the research be worth that could add a few more years of youth to our lives?

The thought of what can be accomplished in the control of disease and the preservation of life are amazing. All that is required to bring them about is the united voice of the people demanding action from their government on these problems. Here we have a Secretary of War and a great War Department. We have a Secretary of Navy and a great Navy Department. Both Departments are necessary and we willingly spend billions of dollars for them to protect us from our human enemies, why shouldn't we form a new cabinet post of Secretary of Health to coordinate the work on medical research who will have the unlimited resources of the

American people behind him to provide the necessary talent and equipment for carrying on such a program. A problem as large as this cannot be handled privately. It must be handled by organization, and in that way would prove of great benefit to thousands of sufferers and aid the doctors who as individuals are doing such fine work in the medical field today. Then will the killers cancer, tuberculosis, heart failure, and other diseases be conquered . . . and conquered with the same speed and efficiency that we so recently witnessed in that magnificent race which, thank God we won to be the first to develop the atomic bomb.

On the matter of international peace I want to echo the statements expressed by General McArthur and Dorothy Thompson. The first step is that all nations should pass a world law and a national law prohibiting war and the preparation for war. The second step is a powerful international police force established and used to prevent any nation from breaking these laws. This would allow us to set up a great espionage system—the espionage of the common man who doesn't want to be killed.

The reason the responsibility for bringing this about rests so heavily upon the citizens of this country is that the only nation possessing the power to prevent a war is a nation powerful enough to win a war. Who asked our permission to drag us into the past two wars? We have already earned the right and should maintain the right to prevent another war. Of course, we should seek the cooperation of every nation. But failing in this endeavor, let me repeat—we have already earned the right to perform this policing duty ourselves, along with those who care to join us. If we bear all the costs of an adequate international police force, there would be no comparison with this cost and that of fighting another world war in 20 years.

As civilized as we think we are, if the law prohibiting the toting of six-shooters were not enforced, personal duels would take place daily all over our country. If an alert, powerful international police force is not maintained, one nation or even one ambitious man could drag us through the horrible carnage of another war. We, the people, alone hold the preventive power. That is why it is mandatory that we act now.

The question is how can we accomplish these things? One of the best methods is to start with yourself and your neighbors . . . small groups of not over ten people who are friends and neighbors and who get together often in the ordinary course of community life. A chairman could be elected and the group convene once every two weeks. The reason for a small group instead of a large

one is that a great number of people have an aversion to large or formal gatherings and the timid individual will not speak up, particularly if strangers are present. He will just keep quiet and vote with the majority even though he may be acting against his considered opinion. In a small group, on the other hand, everyone has the opportunity to express his or her opinion and to vote accordingly. In these meetings there should be time allotted for the discussion of local government and municipal affairs, for here is the foundation of democratic government in the community. An important advantage in the discussion and movement to improve local affairs is that these groups can see the effects of their work immediately with local councilmen, school boards, sanitation departments and so forth. This gives them encouragement to continue. Let them practice self government by directing their local councilmen.

The chairmen of these neighborhood groups should meet once a month in groups of ten. In this way the efforts of a number of separate groups could be coordinated into a powerful political voice reflecting the will of the people and forming a sounding board of public opinion for directing the officials you have elected.

Our forefathers have built and left to us an Aladdin's Lamp. The Genii attached to this lamp has power beyond our wildest dreams. Already he has taught us to fly faster than the birds, to speak around the world. He is ready to perform any miracles we want. All that is needed to activate our great public servants is the unified command of a majority of the people.

Book Reviews

EDITED BY G. LOWELL FIELD

Millis, Harry A. and Montgomery, Royal E., *Organized Labor*, v. III of *The Economics of Labor*. (New York: The McGraw-Hill Book Company, Inc., 1945, pp. xiii, 930 [index pp. 891-930].)

This work deals with the nature of labor organization and the problems of and arising from such organization.

The approach of the authors is expressed:

While organization of labor has arisen as more or less spontaneous reaction of workers to the problems confronting them, and by its tenacity and growth has given proof that it is a response of fundamental character to the social relations of production bringing it into existence, classical and neo-classical economic theory has not accorded to it a place comparable in importance to the one it has found in the real economic world. Accordingly an important task is that of grappling with the question of economic efficacy from the point of view of unionism's own purposes and aims and with the question of economic effects from the point of view of the operations of our industrial organization as a whole. (p. 8.)

Further:

Irrespective of the conclusions that may ensue from the juxtaposition of organized labor's economic theories and aims and the postulates of orthodox economics, however, trade unionism and collective bargaining must, as a practical matter, be regarded as institutions of assured survival. (p. 8-9.)

We find then a study of "tenacity and growth" through one hundred forty-five years of labor organization in the United States. No original theories as to the causes and processes are suggested but there is excellent coordination and integration of explanations proposed by other students particularly, J. R. Commons, Selig Perlman and Norman J. Ware. From the organization of the Philadelphia Shoemakers (1792) to the transfer of the Steel Workers Organizing Committee to the Steel Worker's Union (1942) attempts of American labor to find effective means of cooperative action are fitted into their conditioning environment. Conflicts as to methods and aims are clarified.

The purpose and aims of unionism are discussed as: trade union institutionalism, cooperative ventures, banking, insurance and education; the union in industry, collective bargaining and the policies and practices developed in the processes of bargaining.

As labor unions have grown in strength and sureness, their operation has become increasingly an interest of public policy. Attitudes have been expressed through juridical interpretations

of legal doctrine and through statute law. Almost a fourth of the volume deals with "Trade Unions, the Laws and the Courts." The pages dealing with the National Labor Relations Board, freighted with the intimate experience of Mr. Millis, are an important addition to our knowledge of and judgments of the work of the Board. Though of no great length, a section on policing of rural strikes turns attention to a subject not commonly considered.

To the citizen observer the spectacular comments on the state of industrial relations are strikes. That problem is presented statistically and in terms of effect upon all aspects of economic life. Programs for dealing with them appear in the evolution of the United States Conciliation Service, of mediation in the railroad industry, and of the work of the Maritime Commission. Judgment of the work of the National Railway Adjustment Board (set up in the 1934 amendment to the Railway Labor Act of 1926) is that "Unless more of the spirit called for by the Act becomes evident the actual accomplishments of this industrial court will fall short of what is hoped for." (p. 748.) The "Machinery for World War II" makes available in brief compass a description of the National War Labor Board, its activities, its failures and its accomplishments.

Suggestion of the quotation above that trade unionism has found a place in the "real economic world" differing from that accorded to it by classical and neo-classical economic theory raised expectation that there might ensue an attempt to close this lacuna and to indicate modifications and orientation necessary to make neo-classical theory a more cogent exposition of economic operation. The trade unionist in accepting a bargain theory of wages typically emphasizes the superior influence of supply of labor and consequent effectiveness of control of supply in determining wages. The economic theorist emphasizes demand for labor. Neither factor can be isolated and the complexities of economic life make no such dichotomy possible.

Supply of labor measured in terms of output, total and per man hour, is partially at least a corollary of availability and mobility of capital. There is further relation, neither uniform nor straight forward, with demand for goods, itself a function of wages paid. Complicated effects upon the efficient use of all resources including labor are vital in production of the national income. It is evident that union policies and programs are not and cannot be relegated to consideration of wages and hours only; nor can their effect be judged in any simple theory of adjustment of demand and supply.

The authors conclude that orthodox economic theorists while recognizing frictions in the determination of wages in a dynamic

situation do not recognize as great friction as actually exists. "Or put in other words, the demand for labor is not so effective in safeguarding the worker's interest in wages as many economic theorists contend." (p. 367.) Criticisms suggested and implied of orthodox economic theory should be read in connection with Chapter IV of Volume I, "A Survey of Wage Theory."

Any number of pages cited gives no adequate idea of the printing space devoted to any one subject or to all. The total of nine hundred pages is approximately doubled by copious footnotes which no serious reader will wish to omit because of interest in material presented, in biographical suggestions and in provocative comments. The use of extensive addenda of this nature is a mechanical feature of organization which many, including this reviewer, feel is questionable. The necessity of transferring attention to the smaller type at the bottom of the page is a frictional barrier to concentrated reading attention. One is tempted to ask why, if material is important, not place it in the body of the text. But, then, there would be two volumes rather than one, with resulting double price. The terse and careful diction, lack of superfluous verbiage, and the closely reasoned argument, render presumptuous any suggestion that the material be presented in the body of the text. If forced to choose alternatives, expansion, omission or "as is" many readers including the reviewer (reluctantly) would probably vote "as is." The validity of the objection, however, remains.

The volume under review is the third of a series under the title "The Economics of Labor" which together constitute an outstanding contribution to the study of American economic life. This is, in the writer's opinion, the most uniquely useful of the three.

There is in my knowledge no study of labor organization in the United States so nearly complete in coverage. It is further well fitted for use as a text. Chapters on the relations of trade unions to the courts may be somewhat difficult for undergraduates but mere difficulty is a doubtful objection to use. Good organization of material, clarity of the written sentence, cogent use of simple vocabulary makes the book usable to studious college juniors and seniors. Whether or not use as a text book is deemed desirable, no investigator of any subject relating to labor can afford to overlook this work. He will need other more detailed studies of specific cases, situations or operations, but here he gets an all over view which will give orientation and bring him currently up to date.

University of Texas

RUTH A. ALLEN

Johnson, Claudius O., *American National Government*. (New York: Thomas Y. Crowell Company. 1945. pp.xii, 594. \$3.00)

Johnson in this latest book has arranged in an orderly scheme the core of material adequate for a study of American national government. In all fairness it should be pointed out that this text on national government is largely the author's *Government in the United States* (Third Edition, 1944), with the omission of material on state and local government. However, justice is not done if the impression is given that this later text is merely a section borrowed from the earlier one. The volume of historical material has been materially reduced and the chapters on our wartime experiences in government have been revised and condensed. The inclusion of recent trends in national government brings this text completely up to date—a desirable factor too often lacking in many, otherwise acceptable, books.

The arrangement of subject matter follows the standard pattern for texts in this field. An analysis of the characteristics of federalism, the three branches of government, political parties, citizenship, administration, finance, and socio-economic problems gives a well-rounded survey of American national government.

The final chapter, "The Obligations of Citizenship," almost unique for texts of this type, is highly commended by this reviewer. The author's endeavor to "personalize" the study of government finds expression in an interesting manner of presenting the subject.

In the field of national government wherein up-to-date, interestingly written, and comprehensive texts are the exception, Johnson's *American National Government* will be welcome, indeed.

University of Oklahoma

JACK A. RHODES

London, Kurt, *Backgrounds of Conflict*. (New York: The Macmillan Company. 1945. pp. xvi, 487. \$3.75.)

The concept of ideological, global warfare has been fused in the old pattern of imperialistic wars; yet democratic states continue to think and to act almost solely in terms of the latter. Dr. London's book is a major contribution in clarifying this fundamental thesis. The military phase of World War II has ended; complete victory must await the defeat of the last vestige of axis ideology. "Military defense," alone, in a war of ideas is not adequate; "intellectual defense" is an indispensable safeguard for security in the modern state. Inherent differences between ideological and imperialistic wars have long been ill-defined in Allied nations.

The purpose of Dr. London's book is to place in proper historical perspective the philosophies which led to the Second World War

and "to provide a basis for sound diagnosis and prevention" of a third major world conflict.

A large portion of the book is an analysis of economic, political, and educational philosophies in those countries who are "The Enemies of Democracy," as contrasted with the theories underlying the Soviet Union and the democracies. A selected study is presented of the deeply rooted anti-democratic ideologies which, even today, permeate thinking in defeated Germany, Japan, and Italy. Soviet Russia is described as a state in the period of "The Great Transition." Many authoritarian programs of the Soviets are justified by the differences in ultimate objectives of "The Enemies of Democracy" and Soviet Russia. Consistency in definitions of terms is occasionally sacrificed to draw a fine line of distinction between the former and the latter. One is skeptical that the end justifies totalitarian means, however noble that end may appear in Marxian theory. Vichy France, under the heading of "Painful Intermezzo," stands out as an example of "Mismanagement of Democracy." Less than one-fourth of the book is concerned with "The Evolution of Democracy" in Great Britain and the United States. One feels that positive guide-posts for democracies should merit as detailed an analysis as those which are negative in character.

In analyzing philosophical backgrounds of the before-mentioned categories of nations, the author must, of necessity, be highly selective in a one-volume work. Studies of his selected philosophers, as representative of the various states, will be found in many already-published works. Readers may, indeed, disagree with the philosophies chosen as representative; the underlying thesis of the book should win universal approval. The fundamental distinction between totalitarian and democratic ideology is systematically and clearly drawn; only by inconsistent definitions and analyses of ultimate objectives is it possible for the author to condone totalitarian means in Soviet Russia and to criticize harshly those same means in axis nations. Authoritarian techniques, by whomsoever employed, would seem to be inconsistent with democratic processes. We have learned that defined objectives for propaganda purposes do not always coincide with actual objectives in nations where totalitarian programs are employed. Moreover, defined ends are quite subject to modification by those who employ totalitarian means. One is curious as to the length of time totalitarian methods should be tolerated in the "state of transition," especially in view of the fact that a once democratic objective may be sacrificed for totalitarian ends.

Dr. London's study is an invaluable contribution to the final and complete victory in the Second World War—the defeat of

anti-democratic ideologies by understanding them and convincing conquered peoples . . . "of the lasting values in a democratic world order." The "Painful Intermezzo" of Vichy France is a clear-cut warning to democratic states who, lacking vigilance, become decadent, and thereby fall prey to totalitarian neighbors. *Backgrounds of Conflict* is a guidebook for democracy in a far-from-harmonious postwar world where the seeds of another major conflagration daily are being sown.

University of Oklahoma

JACK A. RHODES

Martin, James W. and Briscoe, Vera, *The Kentucky State Budget System*. (Lexington: University of Kentucky Press, 1945, 103 pp. 50c.)

James W. Martin and Vera Briscoe have collaborated in a case study approach to the problem of budgeting of public funds. By using the Commonwealth of Kentucky as their guinea pig they have been able to illustrate clearly many of the sound developments in fiscal control as well as its more common failings.

The formulation of the budget, its preparation and authorization; and the estimating and control of revenues and expenditures, are described in their development from the first Kentucky budget law of 1918 through the Government Reorganization Act of 1936. The authors have stressed the point that Kentucky like many of her sister states has tended toward, indeed has accomplished, an executive budget with firm control of revenues and expenditures.

The degree to which this has been accomplished in Kentucky should be of wide-spread interest. Though many states have provided for most of the essential functions of budget procedure, very few have integrated these functions into a single department of finance as has this state. Students of public finance will agree with Mr. Martin and Miss Briscoe that such a step, though not a guarantee of efficiency, is one "not to impede effective administration." This cautious statement is not meant to be a back-handed commendation. The authors emphasize that such an integration is a genuinely forward and necessary provision of any state budgeting system. The reason for stating the accomplishment negatively is made clear by the authors as they weave the weaknesses of the Kentucky budget system about its sturdy structure.

It is the description of these weaknesses in our modern state budget systems, as exemplified by one of the more successful and mature plans, that marks this work as a contribution to the field of budgetary study. The authors emphasize three failures which in varying degrees are present in most budget systems. The first of these is the practice of earmarking revenues.

A budget system "must comprehend all revenues and all expenditures in order to prevent fiscal maladjustments." Kentucky has retrogressed in this respect. More than half of the state revenues were not available for budgeting in 1918. At present three-fifths of these monies are earmarked, a fraction which will have to be materially increased since the recent passage of a constitutional amendment setting aside gasoline taxes and auto fees for highways.

A second common failing which the authors stress is the tendency to pass legislation creating a well-conceived framework without a provision for an adequate staff to carry out the plan. In Kentucky the Division of the Budget has not operated at maximum advantage because of this factor. Executives and legislators alike, in many cases, have failed to appreciate "budget procedure as an important instrument of continuous financial planning" and have slighted the need for skilled manpower.

The third defect, an almost zealous adherence to restriction of expenditure, involves a misconception of the function of a budget system. "Budget practice in the states and in the federal government has not kept pace with changing fiscal policy, and the systems are still largely geared to the principal that budgeting is primarily an instrument of restricting and controlling expenditures." The authors have touched the nub of the problem by so emphasizing this almost universal failing. It is a relatively simple procedure to keep expenditures within appropriations. Measures can be devised to keep appropriations within revenues except in the direst emergencies. Mr. Martin and Miss Briscoe are rightfully concerned, however, as they look at general budget procedure through the eyes of their Kentucky Commonwealth, that so little thought and planning is being directed toward service and value received from the tax dollar.

University of New Mexico

WILLIAM J. PARISH

Odell, C. W., *An Introduction to Educational Statistics*. (New York: Prentice-Hall, Inc., 1946; pp. xiv, 269. \$3.50.)

As the title implies, this is a textbook prepared for beginners. The beginners are assumed to be advanced college students majoring in education who want to develop some elementary statistical skills within the scope of a semester college course. The method of condensing is to give rather full treatment to the discussions of tabulating data, plotting curves, measures of central tendency and measures of variability, with corresponding skimping of the material on correlation, reliability, and applications of the normal

curve. This makes the first part of the book essentially of textbook character, the latter part a handbook.

Most of the illustrative material is of a character that doesn't limit its setting to the field of education, and much of it has the complete anonymity of a mere series of numbers. This weakens its appeal to students of education, but it thereby becomes appropriate for workers in other social science fields. Problem settings such as investigation of wage distributions, quantifying of rating scales, correlating have-or-have-not attributes are found in most social science areas.

The discussion of problems of sampling is fuller than in most introductory texts on statistics. It says things that the worker with even the simplest statistical problems needs to take into consideration and that apply to data-gathering in any science. Because it is at the end of the book, following material that many students will skip, it may be overlooked even though the author's foreword suggests that it might be introduced earlier.

The text has only a few reference tables and these are inserted where their use is presented. Use of tables and other aids to calculation are discussed in the introduction. It is left to the student's ingenuity or the instructor's amplification to show why the raw score forms of various formulas are important.

Format and typography of the book are appropriate. It handles well. Chapter bibliographies are generous without being overwhelming and footnote references will guide the student or instructor to other material on specific points. The index approaches adequacy, which makes this volume almost unique among statistics textbooks.

Texas Merit System Council,
Austin, Texas

HELEN TOMLINSON

Finer, Herman, *The United Nations Economic and Social Council*.
(Boston: World Peace Foundation, 1946, pp. 121, 50c cloth,
25c paper.)

In the present formative stages of the United Nations organization, Dr. Finer's present book is a particularly welcome volume. The author reminds his readers that in the economic sphere as in others, the world represents a vast network of interrelations; he puts in capsule form the causative relationship between levels of economic well-being and war; he pictures the general world poverty, the maldistributions of population, industrial facilities and raw materials, the problems of national and international trade. All of these are a background for the United Nations

Charter, and emphasize its latent aim, which is the free movement of commodities and services about the world, unrestricted by national boundaries; only thus will the economic welfare of states and peoples be attained.

Various devices will lead to the end result. By analogy from the pre-war and wartime functioning of the presently existing international economic agencies, such as the International Labour Organization, the Food and Agriculture Organization, and others, the author projects their possible future activities; for the more complete attainment of the objective, he sees the need for several new coordinating agencies, such as a World Commission on Commodity Agreements and Cartels. In the related field of education, an International Education Organization is postulated; differing from previous cultural cooperation groups which facilitated exchanges of ideas, the education organization would actively propagate the idea of the existence of one integrated world. A portion of the book is devoted to the mechanics of the coordination of the various specialized agencies under the Charter. Building on the experiences of the League of Nations, the author constructively imagines the future tasks of the economic and social units of the United Nations, in the light of its welfare objectives.

As a handbook of current information, the volume will be extremely useful. As a forecast of future developments, the author's arguments deserve careful consideration because of his wide experience both in the field of national and international administration.

University of Texas

EDWARD G. LEWIS

Moore, Wilbert E., *Economic Demography of Eastern and Southern Europe*. (Geneva: League of Nations, 1945, pp. 299, \$3.00.)

Southeastern Europe is coming to be recognized, by demographers at least, as a problem area. Though not as densely populated as Western Europe, the area has at present a fairly large population and a high birth rate, from which it is safe to predict a very large population will result within the next half century. Since both agriculture and the manufacturing industries are only slightly developed, and since even now the people are on the whole much poorer than those of the western part of the continent, the outlook for the future is dark. Population pressures, political disturbances, perhaps wars, have their origins in such situations.

The book under review begins by estimating the potentialities of agriculture in the region for the production of food, an increased demand for which is sure to come. The author presents a detailed

survey of the factors affecting crops. Statistics are given for production per man and per unit of land, and these are compared with corresponding data from other sources. The present state of technological development is described along with the difficulties which will be encountered in any effort to modernize agricultural practices. Here it is observed that the ignorance of the peasants will greatly handicap them in their attempts to introduce mechanization into farming. So also, will the existing forms of land tenure and the widespread poverty of the people. Yet another factor is the inadequate organization of the agricultural market, which makes it difficult to accumulate, transport and distribute agricultural surpluses.

The future of industry seems to be but little brighter than that of agriculture. Profound changes in the way of living will have to take place before industrial activity can replace the rural self-sufficiency which now obtains.

Despite the pessimistic findings of the study, the author suggests that the case is not quite hopeless. Under favorable conditions, he says, at least some of the problems can be solved in a fairly satisfactory manner. In any event some improvement will be possible.

The book buttresses its position with a convincing array of figures. These make dry reading, but they serve the invaluable purpose of authenticating the author's statements and thus demonstrating the need for action. It is hoped that this work will be widely read by those whose business it is to run the affairs of the world.

The University of Texas
Shepherd, Geoffrey S., *Agricultural Price Control*. (Ames, Iowa: The Collegiate Press, Inc., 1945, pp. ix, 361, \$3.75.)

This book deals with agricultural price control as it has been applied in the United States during the past fifteen or twenty years. The subject matter of the 29 chapters is grouped under four main headings: (1) stabilizing agricultural prices by controlling the market supplies of farm products, (2) stabilizing agricultural prices by controlling the demand for farm products. (3) local and regional programs for controlling market supply and demand, and (4) the problem of controlling agricultural prices after World War II. In Part I, Shepherd analyzes the experience of such Federal agencies as the Food Administration, The Federal Farm Board, The Commodity Credit Corporation, and The Agricultural Adjustment Administration in their efforts to increase farm prices and income by controlling the market supplies of farm products. In Part II, he discusses the subsidized consumption programs,

and activities in export subsidies, and in Part III, the agricultural marketing agreements and their effects. The problem of controlling agricultural prices during and after World War II is presented in Part IV.

In the concluding chapter, Shepherd sets forth the following propositions concerning agricultural prices that seem warranted on a basis of his analysis of past experiences: (1) "storage programs, which merely put products into storage at one time and take them out at another, can stabilize prices but cannot raise their level over a period of years"; (2) "The different farm products require different price programs"; (3) "agricultural prices cannot be raised or lowered over a period of years merely by announcing higher or lower price floors. They can be raised or lowered over a period of years only by operations which control agricultural production or the demand for farm products, or both"; (4) "efforts to raise agricultural prices by reducing agricultural production have not borne much fruit; and if they had succeeded, they would not have had much effect on farm income"; (5) "efforts to control agricultural prices by controlling the demand for agricultural products have borne some fruit"; (6) "agricultural price control is a dangerous tool, but probably it will continue to be employed"; and (7) "price control activities constitute a gigantic laboratory and medium for mass education."

Shepherd believes the government should continue to exercise considerable control over agricultural prices despite the dangers involved. He argues that economists "would render better service to farmers by advising them how to control prices than by advising them to leave prices alone." Shepherd justifies his stand for governmental control of agricultural prices because "agricultural prices left to themselves are inherently unstable and this instability is a major disturbing force in agriculture." He admits that free market prices for agricultural products in the long run will equate supply and demand but will not work fairly for agricultural producers in the short run and unfortunately the short run is time of greatest importance to farmers. Shepherd points out that fluctuations in prices are caused by changes in supply and changes in demand. These price fluctuations are intensified by the inability of farmers to adjust production promptly to changes in demand. The author would abandon parity prices, but not price controls. He would recommend a program that guarantees forward price floors for the purpose of getting farm commodities produced and moved into consumption in proper quantities. He would recommend subsidized consumption programs for the purpose of encouraging adequate nutrition, and direct pay-

ments to farmers in periods of depression to supplement their incomes. In the reviewer's opinion, this book makes a valuable contribution to the technical literature dealing with market prices for farm products.

J. P. MONTGOMERY

Department of Agricultural Economics

Louisiana State University

Stroup, Herbert Hewitt, *The Jehovah's Witnesses*. (New York: Columbia University Press, 1945, pp. ix, 180, \$2.50.)

This book is the result of several years of research based upon observation of, and personal contact with, the Jehovah's Witnesses and includes what documentary and statistical information the author was able to obtain. The secretive policy of the sect precluded the use of questionnaires and the obtaining of much historical data other than that contained in the brief *Yearbook* of the movement. By attending meetings, canvassing with the Witnesses, and visiting them in their homes, Mr. Stroup compiled several hundred case studies, of which much of the book is a residuum. Where possible, he used the official publications to check his findings.

The result is a well-written study of one of the four indigenous American religious movements. The writer has an evident lively interest in the personalities he encountered. Probably only the Witnesses themselves would severely criticize his analysis.

The sect which came to be called the Jehovah's Witnesses was organized in 1872 by C. T. Russell to spread a doctrine based on his interpretation of the Bible. The group is now international, and in 1942 claimed to have two million members. Both Mr. Russell and his successor, "Judge" J. F. Rutherford, wrote many books, pamphlets, and articles which set forth the doctrine of the Witnesses. Today only the works of Mr. Rutherford are distributed. Originally they were sold only in conjunction with copies of the Bible, but now the Witnesses seldom try to sell Bibles but apparently concentrate on dispensing their magazines, "The Watch Tower" and "Consolation," a newspaper, "The Kingdom News," and pamphlets and books, mostly by Mr. Rutherford. Increasingly until his death in 1942, Mr. Rutherford avoided meeting outsiders or his followers. He became an almost mythical personage, appearing to his followers only at their international conventions.

Management of the Zion's Watch Tower Society, the corporate name of the sect, is under the control of the corporation board, whose membership remains rather static and which was dominated by Mr. Rutherford during his presidency. Criticism of the So-

ciety by individual Witnesses is believed to be a form of blasphemy, and decisions by the leaders are thought to be divinely inspired. The whole movement has been built on authoritarian methods.

To the Witnesses the problem of belief is central. They have a catechetical approach to theology and a body of dogma, mostly of Mr. Rutherford's writing, which claims to answer all important religious questions. They believe that man is born devoid of evil into an evil social environment and that all historical processes, for example Christianity (except their part of it), have been corrupted by Satan. Religion itself has been defined by Mr. Rutherford as "the doing of anything contrary to the will of Jehovah." Man has progressively degenerated, and nothing he himself can do can hasten or retard the course of events. Satan has ruled the world for centuries through its commercial, political, and religious institutions. In 1914 God set Christ on His heavenly throne, thus enabling Him to drive Satan from heaven. When the proselyting of the Jehovah's Witnesses is completed, Christ will return to earth, purge it of evil, and establish a government of God. Those who do not believe will be destroyed. Only by the Return will the world's problems be solved. Hence, the Witnesses are markedly indifferent to participation in social change and conflict and confine their efforts in the world to converting others.

The Witnesses feel that the world, which is evil, is against them; and they respond with clannishness, resentment, and bitterness. They are told, however, that their battle is not with men but with Satan, operating through mundane institutions. They have been punished for their non-conforming ways in the last ten years both in Europe and in the United States, where persecutions of them for refusing to salute the flag led to assistance by the American Civil Liberties Union. Reports of opposition and persecution are published in the "Watch Tower." Their difficulties are regarded by the Witnesses as signs of the coming end of the age. The Witnesses are not pacifists, but they refused to participate in the World Wars because Jehovah did not sanction them. Communists are one of the groups hated by the Witnesses, although they employ certain conceptions of social change similar to those expressed by the Communist ideology. The Roman Catholic Church has their especial animosity. Jews are also disliked, although converted Jews are made welcome. There are no ethnic distinctions in the official pronouncements, but equalitarian negro membership has not been encouraged. Woman members are officially subordinate to men.

In addition to data on the Jehovah's Witnesses as a sect, Mr. Stroup has included information of the attitudes and relations, the conversions and beliefs, of individual Witnesses whom he has studied, which adds to the interest and value of the book.

The University of Texas

REX D. HOOPER

Soule, George; Efron, David, and Ness, Norman T., *Latin America In the Future World*. (New York: Farrar & Rinehart, Inc., 1945, pp. xiii, 372)

In the past, there has passed as true information an unconscionable amount of pure bosh in regard to Latin America. Wishful thinking and evangelical preconceptions were both employed to the detriment of an understanding of the pressing problems of more than a hundred million people. Not all of this was the fault of American scholars. They could not secure the vital facts of Latin American social conditions, for they were nowhere to be found. Feudalism is essentially paternalistic, caring little for scientific data or statistical trends; it is more concerned with maintenance of *status quo* than improving educational opportunity or health standards for the people.

These three scholars have here sought to overcome this lack of data. Painstakingly and from fugitive sources, they have gathered recorded facts, evaluated them, and have drawn some startling conclusions. The volume abounds in tables and charts. It represents no romantic treatment of life below the Rio Grande. It is rather a cold-blooded account of a great people which suffers from lack of nutrition, from lack of education, and from absence of even basic medical science.

One of the most interesting chapters is that on agricultural reform. Some potentially important advances have been made in reforming the feudalistic land tenure systems of the twenty republics, but for the most part they have scarcely scratched the surface of this fundamental problem. It is even problematical if agricultural reform will be able to make much progress in this feudalistic milieu until the introduction of industrial organization presents a competitive alternative to the hacienda system. Real progress is seldom achieved unless some such alternative is present.

The discussion on the program of the United States during the war reveals real conception of the problems. Much may come of the rather expensive experimentations which we have conducted in most Latin American states. The rubber and cinchona plantations, the medical and health centers, the road-building projects, and the increased wages paid to the thousands employed in these pro-

grams can hardly end otherwise than in social betterment. They should become a pattern for progress.

There are those who maintain, and with some reason, that the prodigal use of United States money in these starved economies can spread confusion and result in diminished production. We have spent huge sums, and sometimes we may not receive immediate economic returns in sufficient quantities to justify the expenditures, but the long-term result should be salutary, both for the United States and for Latin America.

We are indeed indebted to these authors for their considerable contributions to the furtherance of the Good Neighbor policy and to the future realization of a united and prosperous western hemisphere. And prosperity in the United States is not to be achieved in its fullest unless like prosperity is maintained in Latin America. The traditional type of imperialism contributes less to all peoples involved than does one featuring balanced industrial and agricultural economics throughout the geographic region.

University of Oklahoma
McKay, Seth Shepard, *W. Lee O'Daniel and Texas Politics, 1938-1942* (Lubbock: Texas Tech Press, 1944, pp. 628).

CORTEZ A. M. EWING

In this book Professor McKay has presented the interesting story of Wilbert Lee O'Daniel, "Ohio-born and Kansas-bred flour salesman," from the time of his entry into Texas politics as a gubernatorial candidate in the spring of 1938 through his second election as United States Senator in 1942. During this short period, O'Daniel was twice nominated for governor (later elected) in the first Democratic primary over an imposing field of native-son candidates, and was twice elected to the United States Senate in contests with strong and politically seasoned opponents. In attempting to explain and analyze O'Daniel's political strength in these turbulent campaigns, Professor McKay has relied heavily and with discriminating judgment upon newspaper accounts during the period covered in his survey. He has welded such materials together into an entertaining, instructive and readable survey of Texas politics during these five years.

The political success of O'Daniel since his unheralded entry into Texas politics illustrates one of these rare phenomena which American, and especially Southern, democratic methods sometimes produce. Success in office, after election, may have little, if any, relation to continuing success at the polls. With O'Daniel, a new political era began in Texas, and the end of it is not yet in sight.

This book is live history which should appeal to all those who are interested in the tumultuous politics of Texas during the past decade. Developments during this period furnish the necessary background for an understanding of present and future political trends in this State. Perhaps a few years from now the story can be completed, and a more intelligent assessment of O'Daniel's place in Texas political history can be made.

The publication of this book was made possible by a grant from the Texas Technological College Research funds.

The University of Texas J. ALTON BURDINE
Kohn, Hans, *Prophets and People*, (New York: The Macmillan Co., 1946, pp. v, 213.)

Prophets and People is a series of five essays dealing with J. S. Mill, Michelet, Mazzini, Treitschke, and Dostoevsky as prophets of nationalism in nineteenth century Europe. Professor Kohn analyses these men in terms of their theories and doctrines and then proceeds to demonstrate their influence upon the development of nationalistic ideas in Europe. No blind worshiper of the shibboleth of nationalism, the author recognizes it as a potent factor in world history and warns against the common assumption that modern civilization and inter-communication spell the doom of national differences and the birth of a new "One World." Rather the contrary is true for, as Professor Kohn notes, nationalism in the modern age has "spread the consciousness of antagonistic aspirations to wider multitudes of men than ever before." This is a sobering thought that the optimistic advocates of "One World Now" might well keep in mind.

The century of J. S. Mill had sounder grounds for a belief in the attainability of a unified, free world of mutually self respecting nations than we have to-day. When Mill wrote the assumptions of liberalism were generally conceded by the Western Nations and thus afforded a common ground for the construction of a world society of nation states. Such a situation can hardly be said to exist to-day. Mill's treatment of such modern problems as Intervention and Self-Determination are noted by the author who sees in his analysis a useful point of departure for present day discussion. As Professor Kohn points out Mill is essentially optimistic and thus represents the liberal nationalism of the England of his time. Michelet, on the other hand, while more intensely nationalistic than Mill, still embodies in his works the liberal, humanitarian tradition of France. This tradition is continued by Mazzini in Italy with an interesting combination of Italian nationalism with liberal cosmopolitanism. This liberal trend disappears when we

turn to Tretischke, the prophet of the nation as the "will to power." For him the cosmopolitanism of Mazzini is unthinkable and is replaced by the concept of the self contained nation state, the prototype of the Germany of the nineteenth and twentieth centuries. A similar exclusive nationalism is introduced by Dostoevesky, the prophet of "Holy Russia," who envisioned his country as the saviour of the world. Yet Dostoevesky was not far wrong when he wrote "the future genuine Russian idea has not yet appeared among us, but the earth is portentously pregnant with it and is making ready to deliver it amid agonizing pain." Eventually the Russia idea did appear in the form of a revolution which still shakes the world.

Thus in one of the most graceful of literary forms, the informal essay, Professor Kohn brings before us five men, three representative of the liberal tradition in nationalism, two devoted to a more restricted view of the mission of the nation state. Written with the customary erudition and sparkling analysis of the author, the book is of significance not for the student of nationalism alone, but for all who seek in cultural history an explanation of the events of our time and a key to the future. The analysis and interpretation of a section of this history by one of the leading scholars in the field cannot fail to stimulate and challenge the general as well as the specialized reader. With the sure touch of a master craftsman, Professor Kohn has vitalized both the personalities and the climate of opinion of the section of the European nationalist movement of the nineteenth century with which he deals.

H. MALCOLM MACDONALD

U. S. Naval Academy, Annapolis

PERSONAL NOTES

The Hogg Foundation of the University of Texas has published a pamphlet written by Archie J. Bahm, Associate Professor of Philosophy and Sociology at Texas Technological College, "What's Ahead for Me—My Job, My Marriage, My Education."

George J. Cady, Associate Professor at Northwestern University will teach in the Department of Economics at the University of Texas during the summer term.

A. P. Cagle of the Department of Political Science of Baylor University was elected in April to the Waco City Commission. He will continue his lectures at the university.

Keith Davis who was in the personnel department of Hughes Tool Co. at Houston before going into military service is now teaching courses in personnel management in the College of Business Administration at the University of Texas.

H. A. Dulan of the staff of the Federal Reserve Bank at Dallas has resigned to accept a position at the University of Arkansas.

Robert French formerly on the faculty of Louisiana State University is now Director of the Bureau of Business Research at the University of Texas.

George Hildebrand, who has been at the University of California, will return to the University of Texas as Associate Professor of Economics beginning July 1.

R. B. Melton will teach in the College of the University of Chicago during the summer term.

Karl Niebyl will teach in the Department of Economics at the University of Texas during the summer term.

N. E. Nelson has accepted a position in the Department of Economics at Drake University beginning with the fall term of 1946.

Professor William F. Ogburn of the University of Chicago served as visiting professor of sociology at Louisiana State University during the spring semester (February 3-May 31), 1947. This brings to a close the program of inviting visiting professors of sociology to the campus, which was undertaken under the terms of a grant to the University from the General Education Board. The others who have participated in this program are Professor Carl M. Rosenquist of the University of Texas and Professors Lee M. Brooks and Rupert B. Vance of the University of North Carolina.

Emmette S. Redford of the Government Department of the University of Texas will work in the Historical Section of the OPA in Washington during the months of July and August.

T. Lynn Smith will return to South America for the summer of 1946. Under the terms of a grant from the Division of International Exchange of Persons of the U. S. Department of State, he will go first to Bogota, Colombia, to continue his activities as advisor to the government of Colombia on programs of colonization and settlement. Then he will go to Rio de Janeiro where he will serve as visiting professor at the University of Brazil during the months of July and August. He will return to Louisiana State University before the opening of the fall semester.

George W. Stocking of the Department of Economics of the University of Texas will work in New York with the Twentieth Century Fund during July and August.

John R. Stockton until recently a major in the armed forces and a teacher in the American University at Schriivenham, England, has returned to his work in the College of Business Administration of the University of Texas.

William L. Strauss, Instructor in Government at the University of Texas, is the new Secretary-Treasurer of the Southwestern Social Science Association.

George Veiss has accepted an appointment to the faculty of the University of Kansas to teach Business Correspondence.

Raymond F. Wallace now at the University of Houston has accepted a teaching fellowship at Northwestern for 1946-47.

The Association

The Southwestern Social Science Association met April 19, 20 in the Texas Hotel at Ft. Worth. The meeting was well attended. The prime interest in the lobbies and on the mezzanine was the greeting of old associates and the meeting of new ones. The only meetings of the entire body of the Association were at a dinner on Friday evening and in the general business session. Mr. Wiley Rich, retiring president of the Association, delivered the presidential address at the dinner meeting. Mr. Karl Ashburn introduced the speaker of the evening Mr. Louis Reynolds of Richmond, Virginia, Executive Vice President of Reynolds Metals Company who spoke of our democratic inheritance and the squandering of that inheritance. The speech was broadcast over KFJG.

The general business meeting was held Saturday morning.

President Wiley D. Rich called the meeting to order at 11:30. The report of the treasurer was heard and accepted, followed immediately by the report of the Audit Committee, which was also accepted. The Committee on Local Arrangements reported briefly on its activities.

Dr. E. S. Redford, on behalf of the Resolutions Committee, introduced a series of resolutions on the following: appreciation to Louis Reynolds, feature speaker at the dinner meeting; memorandum on the death of George B. Dealey; memorandum on the death of Eugene A. Heimann, veteran member of the Association; expression of appreciation to the University of Texas Social Science Club for a gift of \$100 to the Association; appreciation of the work of the Association's officers who served from 1942 to 1946; appreciation to the Fort Worth Chamber of Commerce for their hospitality. The resolutions were approved unanimously.

The Committee on Constitutional Amendments reported and recommended that the Executive Council engage throughout the forthcoming year in a study of three contemplated constitutional amendments. These amendments dealt with the following points:

1. To determine a definite policy of the Association concerning student participation in the affairs and programs of the Association.
2. The advisability of increasing membership dues.
3. The possibility and advisability of amending the Constitution to provide for the creation or establishment of a cooperative press for the Southwestern Social Science Association.

The Committee on Nominations submitted the following list of nominees: President, W. E. Gettys, Sociology, University of Texas; First Vice-President, Cortez A. M. Ewing, Government, University of Oklahoma; Second Vice-President, Stephen A. Caldwell, Economics and Dean of Junior Division, Louisiana State University. This slate of officers was unanimously elected. Dr. Rich thereupon turned the chair over to incoming president, Dr. Gettys, who presided over the remainder of the meeting.

When the chairman asked if there was any additional business, Everett W. Schott rose and moved that: This Association go on record as favoring a strong OPA for the next twelve or eighteen months and that telegrams be sent in the name of the Association to the U. S. senators from the states of the Southwest represented in the Association. Debate as to the propriety of the Association's committing itself followed. A motion to table the resolution lost twenty-three to fourteen. After further debate, the original motion carried. The meeting adjourned at 12:45.

At a meeting of the Executive Committee following immediately Wiley D. Rich moved that the Editor-in-Chief, Miss Allen, be reimbursed for her traveling expenses to and from the convention. The motion carried. It was moved that Miss Allen be reappointed as Editor-in-Chief of the QUARTERLY. The motion carried, and Dr. Allen accepted the appointment.

It was moved that the president, editor, and secretary of the Association contact the administration of The University of Texas to try to secure secretarial aid for the editor.

A motion was made and carried that D. S. Strong be reappointed Secretary-Treasurer with the understanding that he would resign as soon as he had an opportunity to clean up the Association's business growing out of the convention. The Council thereupon authorized the President to appoint a successor to Dr. Strong.

The question was raised about Negro membership in the Association, and it was noted that our constitution offers no inhibition to such membership.

The Council assigned to the President the task of making proper disposition of the resolutions adopted at the General Business Meeting. The meeting adjourned at 1:00.

The programs given in the various section meetings are given below.

ACCOUNTING SECTION

Friday, April 19, 9:00 A. M.

ACCOUNTING, BUSINESS ADMINISTRATION (Joint Session)

Chairman: Glenn L. Hodge, Louisiana State University.

Concepts and Criteria for Major Enterprise Profits, O. J.

Curry, North Texas State College—Karl D. Reyer, Louisiana State University.

Standard Cost As an Aid to Managerial Control, Ellis M. Sowell, Texas Christian University—G. McCowen, Oklahoma A. and M.

Accounting in Allied Fields, E. A. Saliers, Louisiana State University.

Discussion: Herbert Hamilton, Southwestern Louisiana Institute.

ACCOUNTING SECTION

Friday, April 19, 1:30 P. M.

Chairman: Joy Adams, Texas State College for Women.

Simplified Ledger Closing Procedure, Earl Clevenger, Central State (Oklahoma) College.

Discussion: Howard E. Golden, Hardin-Simmons University.

Teaching of Accounting Through the Use of Microfilm, Richard R. Strahlem, University of New Mexico

Discussion: Robert S. See, Centenary.

Principles of Accounting for Colleges and Universities, Clarence Scheps, Louisiana State Department of Education

Discussion: E. C. Hodges, Southern Methodist University

Saturday, April 20, 9:30 A. M.

Chairman: Leo Herbert, Louisiana State University

Contemporary Accounting, Thomas W. Leland, Texas A. and M. College (Formerly of the American Institute of Accountants)

Panel Discussion: John Arch White, University of Texas; L. H. Fleck, Southern Methodist University; R. B. Hawthorne, Secretary, State Board of Certified Public Accountants of Louisiana; T. Dwight Williams, President, American Institute of Accountants, Oklahoma City; R. D. Bauer, University of Missouri; Wiley D. Rich, President, Southwestern Social Science Association.

AGRICULTURAL ECONOMICS SECTION

Friday, April 19, 9 A. M.

Chairman: L. P. Gabbard, University of Texas

The Future of the Family-Sized Farm, Peter Nelson, Oklahoma A. and M. College

Discussion: Otis Osgood, University of Arkansas

C. A. Bonnen, Texas A. and M. College

J. D. Campbell, Oklahoma A. and M. College

Post-War Problems in Agricultural Credit. P. H. Stephens,
Farm Credit Administration of Wichita.

Discussion: Joe Motheral, Texas A. and M. College
J. A. Parcher, Oklahoma A. and M. College
L. S. Ellis, Bureau of Agricultural Economics,
U. S. D. A.

Friday, April 19, 1:30 P. M.

Chairman: B. M. Giles, Louisiana State University
The Diagrammatic Method in Economics, W. E. Paulson,
Texas A. and M. College.

Discussion: J. D. Campbell, Oklahoma A. and M. College
D. A. Marshall, University of Arkansas.

Cost Rigidities in Enterprise Analysis, Adlowe L. Larson, Ok-
lahoma A. and M. College.

Discussion: T. R. Hedges, University of Arkansas
A. C. Magee, Texas A. and M. College

Business Meeting: Chairman, R. T. Klemme, Oklahoma A. and
M. College.

Saturday, April 20, 9:30 A. M.

AGRICULTURAL ECONOMICS, ECONOMICS SECTIONS

(Joint Session)

*Postwar Agricultural-Industrial Development Possibilities in the
Southwest*

Chairman: Ervin K. Zingler, Bureau of the Budget
Agricultural-Industrial Planning in Arkansas, W. Paul Brann,
University of Arkansas.

Industrial Expansion in Texas and the Gulf Southwest, Elmer
H. Johnson, University of Texas.

The Work of the Institute for Community Development,
Leonard Logan, University of Oklahoma.

Industrial Developments: From War to Peace, James Blundell,
Gulf Southwest Industrial and Agricultural Conference

Discussion: C. O. Brannen, University of Arkansas; Paul
Milan, University of Arkansas; R. T. Klemme, Oklahoma
A. and M. College; Stanley Preston, Louisiana State Univer-
sity; Victor H. Schoffelmayer, Dallas Morning News.

BUSINESS ADMINISTRATION SECTION

Friday, April 19, 9 A. M.

(Joint Accounting)

Friday, April 19, 1:30 P. M.

Chairman: P. F. Boyer, Louisiana State University
Factors in Social Welfare, Professor Newton, North Texas State College.

The Teaching of Statistics in Economics and Business Administration, Roscoe R. Griffin, University of Arkansas

Discussion: Gene L. Erion, University of Arkansas

Saturday, April 20, 9:30 A. M.

Chairman: Lowell C. Yoder, University of Arkansas
Significant Applications of Army Training Methods to College Instruction in Business Administration, Professor Shepherd, North Texas State College.

Future Implications of Experience with the Margarine Tax, John Kane, University of Arkansas.

Discussion.

Business Meeting.

ECONOMICS SECTION

Friday, April 19, 9. A. M.

Full Employment

Chairman: Vernon G. Sorrell, University of New Mexico.
Criteria of Full Employment, H. L. McCracken, Louisiana State University

Discussion: Arthur Smith, Southern Methodist University.

Chairman: Thomas F. Wiesen, Texas Technological College.
Determinants of Full Employment, R. B. Melton, University of Arkansas.

Discussion: Alton R. Hodgkins, Tulane University.

Chairman: M. M. Hargrove, University of Tulsa
Critical Analysis of Available Employment, Arthur Smith, Southern Methodist University and Bureau of Labor Statistics.

Discussion: Victor M. Thompson, United States Employment Service.

Friday, April 19, 1:30 P. M.

Chairman: Alton S. Lang, Texas State College for Women.
Financial Aspects of Full Employment, W. H. Irons, Dallas Federal Reserve Bank.

Discussion: C. A. Campbell, University of Oklahoma.

Chairman: Arthur B. Adams, University of Oklahoma.
Economics and Full Employment, Morris M. Blair, Oklahoma A. and M. College.

Discussion: F. B. Clark, Texas A. and M. College.

Chairman: Clifford Potter, Dallas Regional Wage Stabilization Board.

Full Employment—A Must on Labor's List, Don Ellinger, CIO.
Discussion: Edwin A. Elliott, National Labor Relations Board.

Business Meeting.

Saturday, April 20, 9:30 A. M.

(Joint Agricultural Economics)

GEOGRAPHY SECTION

Friday, April 19, 9:00 A. M.

Chairman: H. J. Chatterton, Southwestern Louisiana Institute.

The Cycle Pattern of Wheat Yields in the Southern Great Plains, Clyde J. Bollinger, University of Oklahoma.

Geopolitical Choices of the United States, Forrest D. Kellog, University of Arkansas.

Irrigation Project at Altus, Oklahoma (Kodachrome slides)
Carol Y. Mason, University of Tulsa.

Observations on Adjustment to Environment Noted in Making a County Survey in Arkansas, H. L. Minton, Arkansas State Teachers College.

Friday, April 19, 12:00

Geography Luncheon

Friday, April 19, 2:00 P. M.

Minimum Requirements for the "Good Life," Walter Hansen, North Texas State Teachers College.

Regionalism in Louisiana, John S. Kyser, Northwestern State (Louisiana) College.

The Southwest and Industrialization, L. S. Paine, Texas A. and M. College.

Discussion: *Texas Port Relations to Panama Canal Commerce*
T. Taylor Browne and Student, East Texas State Teachers College.

Azeleas, Camellias, and Scenes of South Louisiana, H. J. Chatterton, Southwestern Louisiana Institute.

Saturday, April 20, 9:30 A. M.

Chairman: Edwin J. Foscue, Southern Methodist University.

Election of Officers for 1947.

The Application of Land Use Capability as Applied to Two Farms

New Mexico, Professor Winslow, University of Oklahoma.

The Place of Geography in Post War General Education, G. W. Schlesselman, Texas A. and M. College (Read by Dr. Martin)

Tasco, Edwin J. Foscue, Southern Methodist University

GOVERNMENT SECTION

Friday, April 19, 1:30 P. M.

Chairman: E. P. Allen, University of Kansas.

The Legislative Council: A Program for Planning and Research, Jack A. Rhodes, University of Oklahoma.*Administration by Statute: The Question of Special Laws*, G. Lowell Field, University of Texas.*The Contribution of Jehovah's Witnesses to the Concept of Religious Freedom*, C. H. Richards, Jr., Texas Christian University.

Discussion: Leader, J. William Davis, Texas Technological College.

Friday, April 19, 9: A. M.

Foreign Relations

Chairman: Joseph C. Pray, University of Oklahoma.

The Indonesian Republic, William L. Strauss, University of Texas.*Military Government in the Mediterranean Theater*, Leon G. Halden, University of Houston.*The Integration of the Inter-American System into the United Nations Organization*, J. Lloyd Mecham, University of Texas.

Discussion: Leader, Cortez A. M. Ewing, University of Oklahoma.

Saturday, April 20, 9:30 A. M.

Post-War Readjustments

Chairman: Stuart MacCorkle, University of Texas.

State Assistance to War Veterans in Texas, Leo C. Riethmayer, Texas Technological College.*Postwar Management-Labor Relationships and Problems Common to Each*, Edwin A. Elliott, National Labor Relations Board.*Possible Impact of Postwar Trade Settlements on the Economy of the Southwest*, George C. Hester, Southwestern University.

Discussion: Leader, Emmette Redford, University of Texas.

HISTORY SECTION

Friday, April 19, 9:00 A. M.

The Historical Program in the Armed Forces During World War II

Chairman: Rupert N. Richardson, Hardin-Simmons University.

Operation of the AAF Historical Program in the Third Air Force, O. A. Hilton, Oklahoma A. and M. College (formerly Chief, Historical Division, Third Air Force).*The Functions and Problems of an Army Historical Section in an Overseas Theater*, Major Lynn M. Case, Historical Division, War Department (on leave of absence, Louisiana State University).

Discussion.

Business Meeting.

Friday, April 19, 1:30 P. M.

War and Diplomacy

Chairman: W. J. Hammond, Texas Christian University.

The El Paso Area in the Civil War, J. L. Waller, (Texas) College of Mines and Metallurgy.*World War II, Policies of the United States in the Pacific Area and the Far East*, J. O. Van Hook, Louisiana Polytechnic Institute.*Latin America and the Post-War World*, T. H. Reynolds, Oklahoma A. and M. College.

Discussion: L. E. Chandler, Southwestern Louisiana College, Donald W. Mitchell, Sam Houston State Teachers College, F. E. Bullard, Southern Methodist University.

Saturday, April 20, 9:30 A. M.

The Southwest: Miscellany

Chairman: L. E. Chandler, Southwestern Louisiana College.

Some Problems to be Considered in Writing a History of Louisiana, G. W. McGinty, Louisiana Polytechnic Institute.*Oil and the Red River Boundary*, Gerald Forbes, Administrative History Division, Headquarters, AAF (On leave of absence, Northwestern (Oklahoma) State College; Read by Edward Davis, East Central (Oklahoma) State College.*The Operation of the "Western Civilization Project" at the University of Kansas*, Hilden Gibson, University of Kansas.

Discussion: J. L. Clark, Sam Houston State Teachers College,
Edward Davis, East Central (Oklahoma) State College;
W. R. Davis, Stephen F. Austin State Teachers College.

PSYCHOLOGY SECTION

Friday, April 19, 9 A. M.

Chairman: Roy A. Crouch, University of Houston.

*A Study of the Choice Process Among Elementary School
Children,*

M. E. Benney, North Texas State College.

Oral vs. Visual Presentation of True-False Items,

Charles L. Odom, Southwestern Louisiana Institute.

*Predictive Scales for Academic Success and Persistence in
Schools,*

William C. Ford, University of Houston.

*The Value of the Testing Center in the Vocational Guidance
Program of the Veterans' Administration,*

E. M. Cain, Veterans Administration, Waco, Texas.

Friday, April 19, 1:30 P. M.

Chairman: J. U. Yarbrough, Southern Methodist University.

Some Basic Concepts for the Psychology of Learning,

L. B. Hoisington, University of Oklahoma.

*An Application of the Thurstone Technique of Absolute Scal-
ing to Physical Data,*

Franklin L. Stovall, University of Houston.

*The Effects of a Common Start-Finish Locus on Orientation
and Behavior in a Multiple-T Maze,*

W. Lynn Brown, University of Texas.

*The Method of Acquiring a Conception of the True Path as an
Influence on Subsequent Learning of a Maze,*

A. Q. Sartain and Gary Mills, Southern Methodist Univer-
sity.

Business Meeting.

Saturday, April 20, 9:30 A. M.

Chairman: Eva A. Freeman, Dallas Child Guidance Clinic.

A Contribution to the Question of the Dangers in Hypnotism,

Paul C. Young, Louisiana State University.

The Role of Psychology in the Maintenance of Peace,

M. R. Denny, University of Oklahoma.

SOCIOLOGY SECTION

Friday, April 19, 9:00 A.M.

Chairman: H. L. Pritchett, Southern Methodist University.

Round Table: *Forces Making for Social Disruption in the Present*, O. D. Duncan, Oklahoma A. and M.; *Factors in Social Accord*, Austin L. Porterfield, Texas Christian University. Panel: C. Stanley Clifton, Texas Christian University; Ross Compton, North Texas State Teachers College; M. C. Hill, Langston University; J. P. McKinsey, Bureau of Labor Statistics; Mattie Cal Maxted, University of Arkansas; J. T. Richardson, Stephen F. Austin State College; E. S. Richards, Langston University; H. L. Trigg, Southern Regional Council.

Discussion.

* * *

Chairman: Francis E. Ballard, Southern Methodist University
Research Papers. (12 minutes each.)

Some Recent Social Surveys of Oklahoma Counties, Leonard Logan, University of Oklahoma.

Observations of the Czechoslovaks in Eastern Bell County, Texas, Sandor B. Kovacs, University of Tulsa.

Tenure Process in the Arkansas Ozarks, J. L. Charlton, University of Arkansas.

Correlations of Socio-Economic Factors With Sex Ratio at Birth in Texas, Carl M. Rosenquist, University of Texas.

Discussion.

Friday, April 19, 2:00 P.M.

Chairman: Daniel Russell, Texas A. and M. College.

Round Table: *The Sociologist, the Social Worker, and the Police*. Panel: Elbert L. Hooker, Research Director, Houston Council of Social Agencies; Marian Wyman, Case Consultant, Houston Family Service Bureau; L. D. Morrison, Inspector, Houston Police Department; Alvin Good, Northwestern State College, Louisiana.

Chairman: Fred B. Watts, Oklahoma Baptist University.

Research Papers.

Some Considerations Relative to the Impact of Two World Wars on the Feminine Role in Western Culture, Elizabeth K. Nottingham, H. Sophie Newcomb Memorial College. (20 minutes.)

Discussion: Mattie Lloyd Wooten, Texas State College for Women.

The Relative Influence of Fathers and Mothers on the Social Characteristics of Children, Robert T. McMillan, Oklahoma A. and M. College. (15 minutes.)

Discussion.

4:15-5:00 P.M. — Annual Business Meeting Southwestern Sociological Society, Walter T. Watson, Southern Methodist University, President.

Friday, April 19, 3:15 P.M.

Saturday, April 20, 9:30 A.M.

Student Section, Southwestern Sociological Society. Sponsor, Doris B. Griscom, University of Texas.

Saturday, April 20, 9:00 A.M.

Chairman: Ethelyn C. Davis, Texas State College for Women.

Social Theory.

Ethnocentrism: Our Number One Social Problem and Its Implications for Sociological Research, Rex. D. Hopper, University of Texas.

Discussion.

The Theoretical Possibility of an Organized Secular Society, W. L. Kolb, Oklahoma A. and M. College.

Discussion.

Chairman: Wyatt Marrs, University of Oklahoma.

Curriculum and Teaching.

Curriculum Making by Legislative Enactment, J. L. Duflot, West Texas State College.

Discussion.

The Commission on Teaching of the Southern Sociological Society, Paul B. Foreman, Oklahoma A. and M. College.

Discussion: Logan Wilson, H. Sophie Newcomb Memorial College, Leader.

Announcements.

in accordance with your request I have audited the Association's records of cash received and disbursed. Receipts were verified by checking receipts in the members' accounts against deposits. All disbursements were made by check properly drawn from the bank. The cash balance as of January 31, 1916, was \$100.00. The depositary bank, The Merchants' Bank, has been checked in detail, but not checked against the bank's records.

As in the past no statement of assets is submitted as the Association has no assets other than cash and unpaid dues. The balance sheet is carried at no stated value, all receipts from the sale of book numbers being considered income in the year in which the sale is made.

Attached is a statement of receipts and disbursements for the year ending January 31, 1916.

Yours very truly,

JOHN ARON WHITE

Chairman of Audit Committee

Auditor's Report

April 10, 1946

Dr. Wiley D. Rich, President
The Southwestern Social Science Association
Nacogdoches, Texas
Dear Mr. President:

In accordance with your request, I have audited the Association's records of cash received and disbursed. Receipts were verified by checking credits in the members accounts against deposits. All disbursements were made by checks properly drawn and paid by the bank. The cash balance as of January 31, 1946, was confirmed by the depository bank. The membership list was not checked in detail, but test checks revealed that the list is accurately maintained.

As in the past no statement of assets is submitted as the Association has no assets other than cash and unsold Quarterlies. The latter asset is carried at no stated value, all receipts from the sale of back numbers being considered income in the year in which the sales are made.

Attached is a statement of receipts and disbursements for the year ending January 31, 1946.

Yours very truly,

JOHN ARCH WHITE
Chairman of Audit Committee

SOUTHWESTERN SOCIAL SCIENCE ASSOCIATION

Statement of Cash Receipts and Disbursements

For the Year Ending January 31, 1946

RECEIPTS:

Memberships:

Individual	\$ 513.00
Libraries	479.25
Institutional	150.00
Sale of Individual QUARTERLIES	131.75

TOTAL CASH RECEIVED **\$1,274.00**

DISBURSEMENTS:

Publication Costs:

March Number	\$285.49
June Number	335.20
September Number	239.40
December Number	228.00
	\$1,088.09

Postage	14.11
Office Supplies	8.15
Bank Charges	9.29
Express	7.25
Agent's Fees	8.44

TOTAL CASH DISBURSED **\$1,135.33**

EXCESS OF RECEIPTS OVER DISBURSEMENTS..... **\$ 138.67**

ANALYSIS OF CASH BALANCE, JANUARY 31, 1946:

Cash Balance January 31, 1945	\$338.60
Increase in Cash for the year	138.67
Cash Balance January 31, 1946	\$477.27

Report on the QUARTERLY

Since June 1945, a war has ended. Return to prewar status or prewar level of operation cannot be considered. The QUARTERLY must attempt to further professional and educational interests in expanded functions and aims.

The purpose of the QUARTERLY as seen by the editors is primarily to (a) publish articles about subjects in which social scientists living in the Southwestern Area are interested as writers, (b) to present the results growing out of investigation and study of social and economic problems especially related to the Southwestern region.

This year as last, we have accomplished more in the former than in the latter. During the year 27 articles were published. Of these only four dealt with investigation which could be done best by workers in the Southwest. While there can be no attempt to make the QUARTERLY regional in its scope or its emphasis, it can be an agent for the dissemination of knowledge which will give social scientists a clearer relation between the classroom and research laboratory and the area in which they exist.

The editors would be glad to receive short articles dealing with significant contemporary developments in the states of the area. The analysis of important legislation, constitutional amendments, important events which are significant to the life of the region, etc.

University of Texas

RUTH A. ALLEN

Editor

THE HISTORY OF THE UNITED STATES OF AMERICA
BY WILLIAM HENRY HARRISON

It is the duty of every citizen to be informed of the history of his country, and to be able to judge of its present condition and future prospects. The history of the United States is a history of the progress of civilization, and of the triumph of liberty over tyranny. It is a history of the struggles of a free people to establish a government of their own, and to maintain it against all enemies, foreign and domestic. It is a history of the growth of a great nation, from a few scattered colonies to a vast and powerful empire. It is a history of the achievements of a brave and noble people, who have shown the world the path of freedom and justice.

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Report on the ...

The first part of the report deals with the ...

The second part of the report deals with the ...

The third part of the report deals with the ...

The fourth part of the report deals with the ...

Problems of Our Prewar Economy — Revisited

WALLACE MENDELSON

PROLOGUE

"At one and the same time, we (Americans) expect little from government and progressively rely on it more. We feel that the essential forces of life are no longer in the channels of politics, and yet we constantly turn to those channels for the direction of forces outside them. . . The paradox of both distrusting and burdening government reveals the lack of a conscious philosophy of politics. . . some unresolved inner conflict. I suspect that it implies an uncritical continuance of past assumptions about government and about society." Felix Frankfurter, *The Public and its Government* (Yale University Press, 1930), p. 4.

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The inertia of ideas—the "uncritical continuance of past assumptions" in the face of felt needs—suggests something more than human perversity. Ideas lag—are propounded in alien contexts—because they serve as protecting shields for otherwise questionable values. The denizens of the greatest corporate combines, for example, extol loudest the virtues of "rugged individualism"; the monopolist has learned that he can best maintain monopoly by subsidizing the fiction of "laissez-faire." This is the theory of vested ideas—"Men possess thoughts, but ideas possess men."¹

BUSINESS

To the Classical Economists "it was perfectly clear that the competition of seller with seller and of buyer with buyer (in the open market) gave assurance of efficient service, high quality and fair price. . . The ups and downs of prices which came in the wake of competition attracted or repelled capital, and thus in each industry kept the capacity-to-produce adjusted to the demand for the pro-

¹ Can we discuss the truth of a proposition (a vested idea as 'rugged individualism') until we know what it means. And can we begin to say what it means until we know who is saying it and why, what difference its assertion makes to what situation?" C. E. Ayres, "Dewey and His Studies in Logical Theory" in Crowley and Smith, *Books That Changed Our Minds* (Doubleday and Company, Inc., 1939), 121.

duct. In fact free enterprise (competition among a host of small and relatively equal competitors) kept industries organized, eliminated the inefficient, gave survival to the fit, insured labor good working conditions and fair wages, and protected the consumer." W. H. Hamilton, "The Control of Big Business," *The Nation*, May 25, 1932, p. 592.

* * * *

"Economic developments during the past hundred years have played an outrageous trick on the economic fraternity. Gradually but steadily great segments . . . of economic activity have been shifted from the market place to administration. . . In 1929, the control of something approaching half of industrial activity had become an administrative matter handled within 200 great administrative units. . . . Whereas in 1929, 200 corporations controlled approximately 49 per cent of corporate wealth (excluding the duplication of financial corporations), by the beginning of 1932, 200 companies controlled something like 54 per cent of the wealth of all non-financial corporations. . . . This shift from organization through the market place to organization by administrative action has gone so far that the market place, though still of major significance, appears to have become rather a disorganizing than an organizing influence." G. C. Means, "The Distribution of Control and Responsibility in a Modern Economy," *Political Science Quarterly*, March, 1935, p. 61.

* * * *

"Prices so determined (i.e. administratively) are relatively rigid and insensitive to changes in demand and supply. . . (Thus) they lose their central function of bringing automatic adjustment. . . .

"Farm machinery (pricing) is a conspicuous example. While farmers' purchasing power dropped (after 1929) the corporations producing farm implements decided to keep the price of these implements practically unchanged. Farmers could not buy at pre-depression prices, so that corporations producing farm implements could find no market for their products. They cut down production and laid off workers. And though farmers wore out their mowing machines and reapers they worried along without buying new ones until the agricultural implements industry was producing

only a fifth of what it had produced in 1929 and the bulk of the industry's workers were on relief rolls. . . .

"The new mechanism of adjustment through production change is a menace to an economy which continues to rely upon automatic adjustments. It is not a question of prices being unfair but of their effect on the operation of the economy."² Ware and Means, *The Modern Economy in Action* (Harcourt, Brace and Company, Inc., 1936), pp. 19, 23, 25.

* * * *

During the period of federal "trust busting" since 1890 there "has occurred the greatest movement in the concentration of productive wealth known to history. Yet the statistics of the Department of Justice present a most illuminating picture of law enforcement at work.

"Over a period of 50 years, 272 equity cases have been instituted and 93 have come to trial . . . the number of criminal actions has run to 252, yet in only 24 did the court impose penal sentences. . . . The libel action has been used only three times. . . . In controver-

² The following table (from A. L. Meyers, *op. cit.*, p. 39) demonstrates the relative inflexibility of industrial prices vis-a-vis farm commodity prices and farm production vis-a-vis production. For the effects of these disparities upon the national economy, see *Agriculture*, below:

INDEXES OF INDUSTRIAL PRODUCTION, AGRICULTURAL PRODUCTION, AND RATIO OF PRICES FARMERS RECEIVE TO PRICES FARMERS PAY

	Industrial production ^a	Agricul- tural produc- tion ^b	Prices paid by farmers ^a	Prices received by farmers ^b	Ratios of industrial produc- tion to agricul- tural pro- duction	Ratio prices farmers re- ceive to prices farmers pay
1929	100	100	100	100	100	100
1930	83	100	95	86	83	90
1931	68	106	81	60	64	74
1932	53	99	70	44	54	63
1933	63	96	71	48	65	68
1934	68	93	80	62	73	78
1935	79	91	82	74	87	90
1936	94	94	81	78	100	96
1937	103	108	85	83	95	98
1938	80	103	80	65	78	81
1939	98	106	79	64	92	81

^a Federal Reserve Board Index (1940 Revision) converted to 1929 base.

^b Bureau of Agricultural Economics index converted to 1929 base.

sies between business men, the private suit has not justified the trust reposed in it. Few genuine cases have been brought; fewer have gone to trial; in fewer still has the action taken all the bumps to an award of damages." W. H. Hamilton, *Antitrust in Action*, Temporary National Economic Committee Monograph No. 16, 76th Congress, 3rd Session (United States Government Printing Office, 1940), pp. 76, 78, 81, 84.

* * * *

"Bigness" (in the 1890s) "was regarded as a curse because it led to monopoly and interfered with the operation of the laws of supply and demand. At the same time specialized techniques made bigness essential to producing goods in large enough quantities and at a price low enough so that they could be made part of the American standard of living. In order to reconcile the ideal with the practical necessity, it became necessary to develop a procedure which constantly attacked bigness on rational legal and economic grounds, and at the same time never really interfered with combinations. Such pressure gave rise to the anti-trust laws (and made their enforcement) a pure ritual." T. Arnold, *The Folklore of Capitalism* (Yale University Press, 1937), p 207.

* * * *

"The plain truth of the matter is that the rewriting of the anti-trust laws is the beginning not the end of the problem. . . . Today a lack of harmony exists between the technology of industry and its organization. An economic order in which the productive processes belong to big business and the arrangements for its control to petty trade cannot abide. We cannot . . . summon order by invoking the ideas which the people of the 1890s borrowed from a small town culture. We must devise a scheme adequate to the task of direction of great industry. In a world of change a society cannot live upon a wisdom borrowed from our fathers." W. H. Hamilton, "The Control of Big Business," *The Nation*, May, 25, 1932, p. 593.

* * * *

For Mr. Justice Brandeis "bigness" was a curse because it stifled and frustrated the individual. (Had not the elder Rockefeller said, "The combination is here to stay. Individualism is gone, never to return.") Moreover Brandeis saw and modern research bears him out, that bigness is often uneconomic and frequently accom-

plished not for technological reasons, but because of the profits that mergers yield for promoters, speculators, and investment bankers—the lords of “other peoples’ money.”

* * *

“The real fight in this country is not between verbal philosophies of collectivism and individualism, but between those who follow these goals, these implications of what a man might do creatively and those whose satisfactions come from the advantageous speculation in the product of the creative efforts of others. This has been termed a war between industry and finance. Veblen, one of our most original and stimulating thinkers, called it a clash between ‘the engineers and the price system.’” John M. Gaus, “American Society and Public Administration” in *The Frontiers of Public Administration* (University of Chicago Press, 1936), p. 107.

* * *

The restriction of industrial output to increase income is “the sickness of an acquisitive society.” It is a contagious sickness that is beginning to infect agriculture (the Triple A) and labor (“soldiering,” “made work,” etc.). The result in effect is a pernicious struggle for increasing shares of a relatively diminishing gross product.

AGRICULTURE

The farmers “have probably suffered even more cruelly than other parts of the population (from deflation and depression). To some extent, at least, that suffering has been occasioned by the absence among farmers generally of any counterpart of the corporation in business and of the trade-union in labor. Holding to the tenets of economic individualism longer than business management and organized labor, farmers have found out to their sorrow that these sectors of economy have deserted them, practicing control of prices and of markets while giving lip service to alleged benefits of free competition.”^{2a} Donald C. Blaisdell, *Government and Agriculture* (Farrar and Rinehart, 1940), p. ix.

^{2a} But note agriculture’s peculiarly favorable political position resulting from our system of geographic representation. Thus while farming accounts for only about 20% of those gainfully employed, 225 Congressional Districts, or just over 51%, are predominantly rural in character. The situation in the Senate is comparable, since only 21 states may be classified as predominantly urban in character. See A. N. Holcombe, “Present Day Characteristics of American Political Parties” in E. B. Logan, *The American Political Scene*.

"In the case of farm income during the past 10 years (1929-1939) the major changes have been in price, while the quantity produced has been very stable. In industrial income, on the contrary, prices have been stable in general, while the quantity produced has varied greatly. . . . By and large, the farmer trades his products for the products produced by the city and if the city produces less than the farmer gets less in the swap. . . ."³ "Restriction (of industrial output) occurs whenever a firm or group of firms is in possession of a sufficient degree of monopoly power to be able to fix prices. . . . Monopolistic restriction increases the price of articles which farmers and workers buy. The restriction of employment decreases the ability of workers to buy farm products and reduced employment opportunities prevent the movement of excess farm labor to the cities. When this is accompanied by a tariff policy which both prevents the farmer from buying foreign competitive goods and restricts the foreign purchasing power for farm products, the exploitation of the farmer is obvious." A. L. Meyers, *Agriculture and the National Economy*, Temporary National Economic Committee Monograph No. 23, 76th Congress, 3rd Session. (United States Government Printing Office, 1940), p. 39.

* * *

"The decline in agricultural exports explains part of the decrease in demand for farm products. Several factors have been responsible. . . . Most important has been the American tariff policy. Directly, the high tariffs through preventing imports have deprived the foreign countries of the foreign exchange with which to buy our products. Indirectly, our tariffs have been the cause of retaliatory tariffs, foreign exchange restrictions, import quotas and barter deals by foreign countries all of which seriously restricted the sale of American farm products abroad. . . . The real potential market for farm products (however) lies in (our own) underprivileged classes if we can make the economic system work so as to provide them with a decent standard of living. . . ." A. L. Meyers, *op. cit.*, p. 38.

³ See the table in Footnote 2, above.

"If we accept the model diets worked out by the Bureau of Home Economics of the U. S. Department of Agriculture as standards, we find that 74% of America's urban and village families lacked sufficient income, even in the good year 1929, to provide an adequate diet. . . ." Maxwell Stewart, *Income and Economic Progress*, Public Affairs Pamphlets No. 1 (Revised) (1942, p. 10.

* * * *

But even apart from the problem of purchasing power the domestic market is no easy solution. For example, about half our cotton is customarily produced for export. Before World War I such exports helped liquidate our foreign debts. After World War I changed us from a debtor to a creditor nation we proceeded during the twenties to make foreign "loans" that enabled overseas purchasers to pay for the cotton we sent them. After 1929 neither device was available for maintaining American exports. We are left with the choice of accepting imports (industrial or agricultural) as pay for the cotton we want to export or of taking half our cotton lands out of production and putting them into something we can use at home.

* * * *

"In no previous period of the country's history has so small a proportion of the farm land been owned by those who cultivate it. The startling increase in the percent of farms operated by tenants, from 25.6 in 1880 to 42.1 in 1935, reveals a strong trend away from the rugged independence of the homesteader and toward an un-American system of peasantry. . . . The American dream of the family-size farm has become remote. . . ." Wayne Gard, "The American Peasant" in *Current History*, April, 1937, p. 47.

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"Wage labor, standing at 26% of all persons gainfully employed in agriculture in 1930, reached 53% in Arizona, 57% in California. In order to preserve what we can of a national idea, new patterns . . . must be developed." Lange and Taylor, *American Exodus, A Record of Human Erosion* (Reynal and Hitchcock, Inc., 1939), p. 155.

Between 1910 and 1940 the number of farms of 1000 acres or more increased from 50,135 to 100,531—the acreage involved increased from 167,000,000 to 364,000,000 acres. This, together with the growth of farm wage labor (migratory workers, the new farm proletariat) spells “factories in the fields,” i. e., the industrialization of agriculture.. The evolution seems to be from family-size owner, to tenant, to migratory worker. The latter speaks of himself as having been “tractored off the land.”

* * * *

“It is doubtful whether any other long-time social loss is so great as the loss caused by destructive exploitation of soil, the the result of unlimited competition (among farmers) for short-term individual advantage in ‘the mining of the land.’” Department of Agriculture, *Agricultural Adjustment*, 1937-1938 (United States Government Printing office, 1939), p. 36.

* * * *

“Approximately 50 million acres of once fertile land in this country have been essentially ruined for practical cultivation by erosion. Another 50 million acres are in a condition almost as serious.

“About 100 million acres still in cultivation have been seriously impoverished by loss of soil; and about 100 million acres more of cultivated land are being depleted of productive soil at an alarming rate.”⁴ *Soils and Men, Yearbook of Agriculture* 1938 (United States Government Printing Office, 1938), p. 592.

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“Many people living on impoverished land—that was the picture (of the Tennessee Valley) ten years ago. If the moral purpose of resource development—the greatest benefit to human beings—was to be achieved, TVA had to see to it that the land changed as well as the river. . . . And the land is changing. The gullies are being healed. The scars of erosion are on the mend. . . . The many wounds yet to be healed are by their contrast eloquent evidence of what a decade’s work in restoration has accomplished. The

⁴ Most accelerated erosion—both wind (dust bowl) and water—is caused by poor farming methods and by plowing up marginal land whose natural cover should never have been removed. Since much such land was farmed in order to feed Europe during and after World War I, the human and soil erosion that has followed must be considered a cost of war.

cover of dark green, the pasture and deep meadow and upstanding fields of oats and rye, the marks of fertility and productivity are on every hand. . . . Matting and sloping, seeding and sodding have given protection to eroded banks on scores of thousands of acres. Ditches to divert the water and little dams to check it, hundreds of thousands of them, help control the course of water on the land, hold it there till it can soak down and feed the roots of newly-planted trees and grasses. A hundred and fifty million seedling trees have been planted . . . from TVA nursery stock alone. . . . And on 20,000 individual farms embracing a total of nearly 3,000,000 acres, actual farmers selected by their neighbors are carrying on a demonstration of modern farming, sponsored by TVA, built upon a more scientific use by farmers of the almost magic mineral, phosphate, and the use of power and the machine." David Lilienthal, *TVA-Democracy on the March* (Harper and Brothers, 1944), pp. 25-26.

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L A B O R

"All the social problems of history are no more than variants of the eternal, the supreme, the unique social problem—how can man find happiness, not only through work, but in work." Henri de Man, *The Psychology of Socialism* (Allen and Unwin, Ltd., 1929), p. 65.

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The National Academy of Sciences' study of "Fatigue of Workers" (1941) "offers a tremendous, almost unexplored, new key to greatly increased production. Not elaborate equipment, not time-and-motion studies—all such things are important, of course. But this new principle is not anything physical. It is the mental attitude of the worker. Give him a chance to be part of the show, consult him on details that affect him, give him a chance to belong and accomplish. . . . The desire of workers to be members of an accepted group, to have feelings of security and participation on the job (are) . . . more powerful than money interest." T. R. Carskadon, *Workers and Bosses are Human*, Public Affairs Pamphlet No. 76 (1943), p. 6.

"Democracy is . . . the active participation of the individual in the affairs of the community that most vitally affect him and his neighbors. . . . It is freedom of the individual to be creative. . . . Collective bargaining is the democratic instrument through which all individuals in industry—workers, owners, managers, and consumers—can participate in making the vital decisions that affect the local industrial unit, the town in which its people live. . . ." Golden and Ruttenberg, *The Dynamics of Industrial Democracy* (Harper and Brothers, 1942), p. 42.

* * * *

A union is the organization of those who possess labor power, just as a corporation is the organization of those who possess capital. When the business man gave up individualism in favor of the corporation (to say nothing of trusts, trade associations and cartels), the laboring man turned to the union. We forget that only a few years ago the corporation—that "soulless monster" with the legal rights but none of the moral restraints of a human being—was even more bitterly condemned than the union is today.

* * * *

"Workers don't strike because they want to but because they have to. They could not get justice through the contract procedure, so they decided to take things into their own hands. The trouble with you fellows is that you recognized collective bargaining but you have not begun, as yet, to practice it. You have gone through the motions long enough. It's time you got down to real collective bargaining." Phillip Murray—to the head of a large corporation who after signing a union contract persisted in frustrating union efforts made pursuant thereto. The situation resulted in a series of sporadic strikes. Quoted in Carskadon, *op. cit.*, p. 15.

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"On one point there is pretty general agreement on all sides: If there were genuine, deep-down and wholehearted acceptance of collective bargaining by business and the public in America, the issue of the union shop and union security would be a minor one as it is in England and Sweden today. The unions would feel strong enough and safe enough to not have to insist on rigid formulas." T. R. Carskadon, *op. cit.*, p. 20.

"The interest of the worker necessarily is in the place where he works and gains his livelihood. This interest is not only continuous but far outweighs concern for politics. Even recreation is subsidiary to it. This, then, is the area in which respect for law and science and for orderly and reasoned procedure can best be taught. . . . Today any union asking for an increase in wages or shorter hours largely accepts the responsibility to prove that it can be done without jeopardizing the best interests of the enterprise. To assist in drawing up compelling factual arguments to support their claims the unions more and more depend upon the professional assistance of statisticians, engineers and other technicians. One result of this type of collaboration is that organized labor increasingly makes common cause with the employer in the battle against waste and inefficiency." Morris L. Cooke, "Why Labor is in Politics," *The New Republic*, October 9, 1944, p. 455.

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"There is a real sense in which the affiliated workers of an industry have more at stake in helping an industry to thrive than the salaried managers or the scattering of absentee stock-holders." Ordway Tead, *New Adventures in Democracy* (McGraw-Hill Book Company, Inc., 1939), p. 92.

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"Responsibility is the great developer of men."

Mr. Justice Brandeis.

* * * *

"It can scarcely be anything but clear to observe that the labor violence of the past few years flowed from the suppressions of the past. I do not believe that violence in itself justifies retaliatory violence. I do believe violence begets violence and that the violence of labor is puny and trivial compared with the mammoth violence that has been practiced on labor by employers, police and courts. . . . The moral of experience is dual. If employers sow the wind (espionage, company unions, the stretch-out and vigilantism) they must be prepared to reap the whirlwind. And where . . . (labor) has had a chance to do the painstaking work of organization, it has combined responsibility with strength." Max Lerner, "Democracy with a Union Card." *Virginia Quarterly Review*, April, 1938, p. 221.

Some "unions are interested in restricting output, in building trade barriers between states, and even in discriminating against working men themselves. . . . Many of these unions are undemocratic in organization and their leaders maintain themselves in power by coercion. . . . This is no different from what happens in industry when no (governmental) curb is put upon the illegitimate use of organized power. . . . Do not get the impression that these gangs come out of the rank and file. Often they are the spearhead of some industrial combination which uses them to enforce price fixing or to maintain some uneconomic system of distribution." Thurman Arnold, *The Bottlenecks of Business* (Reynal and Hitchcock, 1940), p. 241.

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Overall

American history is replete with panics and depressions—1819, 1837, 1843, 1857, 1873, 1893, 1904, 1907, 1921, and 1929—made it would seem for there never was a time when the riches of our natural resources and manpower were not available in abundance. On the basis of past experience the American citizen may expect to spend one quarter of his life in periods of economic stagnation.

* * * *

"The basic economic problem that now confronts mankind (is) the problem of developing an economic organization that will enable the citizens of a modern state to buy from one another what modern industrial methods enable them to produce. . . . As engineering technique has reached its high state of efficiency through the cumulative success of thousands of men working for generations in many countries, so what we must expect that the development of an effective economic technique will require a long series of discoveries, inventions and practical trials." Statement by Wesley C. Mitchell, in *Economic Reconstructions, Report of the Columbia University Commission*, Robert M. MacIver, Chairman (Columbia University Press, 1934), p. 82.

* * * *

World War II has demonstrated one thing beyond the possibility of doubt—relieved of the burden of the ordinary system of distribution and coordinated by overall governmental planning and

direction, American industry is capable of all but unlimited production. Production in 1944, for example, was about double that of our best pre-war year—and this in the absence of some 16 million of our youngest and most capable workers.

* * * *

To furnish the American people with an adequate standard of living "we should have to expand production by at least 75 per cent over that of 1929. But we are prevented from having a peacetime expansion of industry . . . by the stubborn fact that millions of families do not have enough money to buy what they want.⁵ This lack of purchasing power should not be taken to indicate . . . that the market price of commodities exceeds the amount of money distributed in the process of production. This is impossible since every dollar which is spent for an article goes to someone—whether as wages, rent, interest or profits—and may be respent by him. If consumers do not buy all the goods on the markets, it can only mean" (that some do not wish to spend their money, preferring to save it). "The amount of savings available for investment . . . rose rapidly between 1922 and 1929; but the volume of securities floated for building new plant and equipment showed no such increase . . . the excess went either into the stock market where it contributed to the unhealthy boom prices and was ultimately lost, or into foreign loans (largely unrepaid)." M. Stewart, *op. cit.*, p. 12 (based on the four volume study by the Brookings Institution of income distribution and economic progress).

* * * *

"I want to pay a little bit of attention to this question of the excess of savings over new investment, because it seems to me that is the nexus of the problem with which we are confronted. . . . To the extent that all purchasing power does not get into the market we are likely to have difficulty. In earlier days there was no difficulty because any amount saved seemed to be automati-

⁵ According to the National Resources Committee study of the Distribution of Consumer Income in the United States in 1936-37, more than 6,700,000 families and single individuals, or 17.01 percent of the total, had annual incomes of \$500.00 or less; more than 18,500,000 or 46.54 percent of the total had incomes of \$1000 or less; approximately 32,000,000 or 81.2 percent of the total, had annual incomes of \$2000 or less.

cally required, and that was one of the assumptions upon which this fast, vigorously expanding competitive system of ours rested. There has been this shift to the extent . . . that we have fifteen or twenty billion dollars of savings (annually) . . . without the demand for so many billions."⁶ Testimony of Leon Henderson, *Hearings Before the Temporary National Economic Committee*, 76th Congress, 3rd Session (United States Government Printing Office, 1939), Part 1, p. 177.

* * *

"The rise and fall of consumption is a result of the rise and fall of employment incident to the rise and fall of capital outlays on plant and equipment. Money expended on capital outlays is therefore high-powered money . . . (having) a multiplier or leverage effect on income, and similarly every dollar of savings . . . not expended on capital outlays drives the income down with a magnified effect. . . . The high-savings economy (such as ours) can escape a fall in income and employment only through the continuous development of new outlets for capital expenditures on industrial plant and equipment and on commercial, residential and public construction." Testimony of Alvin H. Hansen, *Hearings Before the Temporary National Economic Committee*, 76th Congress, 3rd Session (United States Government Printing Office, 1940), Part 9, p. 3502.

* * *

Epilogue

"In the end the central question in any discussion of economic policy should be: What kind of men does it make? Justic Brandeis—who was certainly no advocate of laissez-faire—used to say that 'what America needs, is not that we do anything for these, our fellow-citizens, but that we keep open the path of opportunity to enable them to help themselves.'" H. G. Gideonse, *Organized Scarcity and Public Policy*, Public Policy Pamphlet No. 30 University of Chicago Press, 1939), p. 47.

⁶ "Out of a total of \$15,000,000,000 of individual savings in 1929, no less than \$12,000,000,000 were accumulated by the 10 percent of the population with incomes over \$5000 . . . two-thirds of the savings (were . . . made by the 2 percent . . . having incomes of over \$10,000 a year." M. Stewart, *op. cit.*, p 13

"Against . . . (concentrated, monopolistic) industrialism and its imminent hazards to life, liberty and property we have no constitutional (and few other) rights. But thanks to John Locke—or to the thinkers, statesmen, warriors, businessmen and jurists who put the punch in his words—we have adequate safeguards against resort by any state to the kind of stuff the Stuart kings used to pull." W. H. Hamilton, "Property According to Locke," 41 *Yale Law Journal* 864 (1932).

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"Critics of our present social regime often assume that the evils of our industrial civilization are the exclusive products of the reign of mechanical technology. . . . But the indictment overlooks the fact that our existing institutions and interests have their roots in the past, and that the use we make of mechanical instrumentalities is not due to these instruments alone but to their entanglement with a texture of beliefs and ideals that matured in a pre-industrial age. In such a condition there is more petulance than enlightenment in charging evils to machines and industry. The only thing certain is that, when men think and believe in one set of symbols and act in ways which are contrary to their professed and conscious ideas, confusion and insincerity are bound to result. . . ." John Dewey, "Philosophy," in *Whither Mankind*, edited by C. Beard (Longmans, Green, and Company, Inc., 1929), p. 328.

Oil and the Red River Boundary

GERALD FORBES

While the petroleum industry has been, and is, responsible for ceaseless litigation, it is hardly debatable that no oil case has equaled the boundary affair of the Red River. This jurisdictional argument threatened to precipitate a miniature war between Oklahoma and Texas. The Federal government intervened in the suit on behalf of its wards, the Indian allottees. Placer mining claims increased the legal complexity. So volatile did the situation become, that the Supreme Court of the United States acted with unusual alacrity both in listening to arguments and in reaching decisions and for a time the Court operated a part of the oil pool, thus establishing a new pattern of pool management.

Underlying the boundary dispute was the excitement created by the discovery and development of the prolific Burkburnett Oil Pool, just south of the Red River. Later in the same exciting year, 1917, the Ranger Oil Pool not on the river but not far away, caused a regional hysteria.¹ From the development of these pools was generated the mania of quick riches from petroleum in North Texas and Oklahoma. In 1919 Texas produced oil worth more than \$120,000,000, much of which came from the Burkburnett Pool,² where in one week the flow increased 16,705 barrels,³ regardless of all principles of economy. In September the excitement was intensified by the completion of more than six wells each day, and total for the month of 202 wells. For 1919 the stunning record was the completion of 1,865 wells, only 116 of which were dry.⁴

With the price of crude oil three dollars a barrel,⁵ the banks of nearby Wichita Falls were bloated with deposits of nearly forty

¹ The question can be raised, of course, regarding the Burkburnett discovery well. Was it that one drilled in 1912, or the Fowler hole of 1918? The answer lies in who or what is being considered.—*The Oil Weekly*, (Houston, 1916), XXIV, No. 4, January 21, 1922, 112; *The Oil and Gas Journal*, (Tulsa, 1910—), XVIII, No. 34, January 23, 1920, 54.

² *Ibid.*, XVIII, No. 28, 12 December 1919, 79.

³ *Ibid.*, XVIII, No. 30, 26 December 1919, 26.

⁴ *Ibid.*, XVIII, No. 34, 23 January, 1920, 54.

⁵ *The Oil Weekly*, XVI, No. 2, 10 January 1920, 39.

millions. The Burkburnett wells alone had produced oil worth about that much during the year. Land prices reached almost insane sums, when \$80,000 an acre was paid in one transaction. In another case one hundred dollars was paid in August for a plot that sold in a few months for \$1,750.⁶ Ten acres outside of Burkburnett after several transactions, was sold for \$700,000.⁷ Such returns inspired pepper-box drilling, and the construction of twenty-five refineries within a relatively small radius.⁸

With this preposterous financial stimulation the drilling swept northward toward the river. When the Red River, a wide meandering sand-bed covered with water from bank to bank only when in flood, was reached, some oil men filed placer mining claims with the Federal government. Then they proceeded to sink their drills in the sand. In January, 1920, the first hint of trouble came when Judge George Calhoun in the Travis County (Texas) District Court issued an injunction to stop the drilling by two companies, placer occupants of the land, one of which was chartered in Oklahoma. There was a third claimant, a former Texas land commissioner, who had gained his title from the state at ten cents an acre. The state of Texas itself, as well as this third claimant, would benefit by the injunction, for the state claimed a royalty from its sale of land to him. The famous Texas state police, the Rangers, were on hand to enforce the court's order,⁹ when winter weather, perhaps more powerful than any court, brought all work to a halt.¹⁰

Across the Red River in Oklahoma were men who also wanted riches from oil. In that state almost any attorney knew that the state boundary by authority of the Treaty of 1819 with Spain was the south bank of the Red River. This had been verified in an earlier boundary dispute by a decision of the Supreme Court of the United States, commonly called the Greer County case.¹¹ It

⁶ *The Oil and Gas Journal*, XVIII, No. 34, 23 January 1920, 54.

⁷ *Ibid.*, XVIII, No. 31, 2 January 1920, 6.

⁸ *Ibid.*, XVIII, No. 32, 9 January 1920, 9.

⁹ *The Oil Weekly*, XVI, No. 3, 17 January 1920, 64.

¹⁰ *The Oil and Gas Journal*, XVIII, No. 34, 23, January 1920, 22

¹¹ That boundary case gave Oklahoma the title to Greer County, in the southwestern corner of the state.—*United States vs. Texas*, 162, U. S. 1. Also see the Treaty of 1819 with Spain in Hunter Miller, ed. *Treaties and Other International Acts of the United States of America*, (Washington, 1933), III, 5-7.

was clear to Tillman County officers in Oklahoma that drilling by Texas authority was being done north of that state's boundary. Not so thought W. D. Cope, adjutant general of Texas, as he marshalled his little army of Rangers, equipped with machine guns, pistols, and carbines. A detail of Oklahoma deputy sheriffs crossed the sandy bed of the river and nailed up signs warning trespassers, that is Texans, to keep off.¹²

Reinforcements joined the Rangers at Wichita Falls before the small but efficient police force moved to the scene of the dispute. They found placards "This is Oklahoma. Keep Off." They jerked these signs down and replaced them with "This is Texas property." At the time the property involved in the order of the Travis District Court was only eighty acres, containing three drilling wells. Thus far the affair was only mildly complicated. First, an injunction had been issued in Texas to stop the drilling and receivers had been appointed for the two companies so enjoined. Second, the Rangers had taken possession of the land. Third, however, a receiver for one of the companies had been appointed in Oklahoma,¹³ adding an interstate complexity.

The Oklahoma receiver simply announced that he would not use force to remove the Rangers. J. B. A. Robertson, governor of Oklahoma, wanted no bloodshed, but neither would he permit "our territory to be invaded." While tempers waxed warm and articulate, S. Prince Freeling, attorney general of Oklahoma, took a train for the national capital,¹⁴ the first step in making the Supreme Court the operator of the entire controversial area.¹⁵

Fifty new rigs stood in the sand below the river's bluff line in February, 1920,¹⁶ when C. M. Cureton, attorney general of Texas, conferred with Thomas W. Gregory, former attorney general for

¹² *The Oil Weekly*, XVI, No. 4, 23 January 1920, 21

¹³ *Ibid.*, XVI, No. 5, 31 January, 1921, 41.

¹⁴ *The Oil and Gas Journal*, XVIII, No. 36, 6 February, 1920, 80.

¹⁵ By its own opinion, after appointing a receiver to act as its agent, the Supreme Court of the United States became the operator of the oil producing area.—258 U. S. 574. In the operational process the Court issued at least sixteen orders (252 U. S. 372; 253 U. S. 465, 470, 471; 256 U. S. 602, 603, 604, 605, 607, 608, 610; 257 U. S. 609, 611; 258 U. S. 606) and four opinions (256 U. S. 70, 608; 258 U. S. 574; 259 U. S. 565; 260 U. S. 606).

¹⁶ *The Oil and Gas Journal*, XVIII, No. 38, 20 February, 1920, 24.

both Texas and the United States, to polish the answer to the Oklahoma suit. Texas was ordered to reply by March 1.¹⁷ A third party—the United States—had entered the case¹⁸ representing the claims of Indian allottees, whose holdings were north of the Red River.¹⁹ Then the apparent value of the land was increased when a producing oil well was completed across the Red River in Oklahoma. If oil were on both sides of the stream, it must certainly be under the Red River.²⁰ With this added incentive, Texas would not withdraw from the suit when 6,400 acres of the debated land looked like proved oil territory. The Texas reply in the case claimed half the bed of the river, which assuming the presence of oil, was estimated variously to be worth from \$100,000,000 to \$300,000,000.²¹

Not only did Texas deny the claim of Oklahoma to the bed of the Red River, but it entered a counter claim. It accused Oklahoma of possessing 132 miles of territory that belonged in the Texas Panhandle, a roughly triangular strip lying along the west side of Oklahoma, a thousand feet wide at the north and 4,000 feet at the south. Texas endeavored to make an additional point of the clearly obvious fact that only the presence of oil caused Oklahoma to claim the sandy river land.²² Texas declared the Red River constantly changed its channel, thus preventing the south bank of 1819, when the Spanish treaty was made, from being the same as the south bank in 1920.²³

Hardly had these papers been filed before the United States Supreme Court when another phase of the question appeared in the form of a hearing before a Federal District Court in Oklahoma.

¹⁷ Supreme Court of the United States, Transcript of Record of Oklahoma vs. Texas, United States, Intervener, (Case No. 23, filed December 8, 1920), *Records and Briefs*, I, 12. (Hereafter cited *Records and Briefs*).

¹⁸ 252 U. S. 372.

¹⁹ *Records and Briefs*, I, 36; *The Oil and Gas Journal*, XVIII, No. 39 27 February 1920, 51.

²⁰ *The Dallas News*, (Dallas, 1885—), XXXV, No. 153, 1 March 1920, 11; *The Oil and Gas Journal*, XVIII, No. 40, 5 March 1920, 30.

²¹ *The Dallas News*, XXXV, No. 154, 2 March 1920, 1.

²² *The Oil and Gas Journal*, XVIII, No. 40, 5 March, 1920, 66. The original answer and counter claims of Texas will be found in *Records and Briefs*, I, 12-19.

²³ *The Oil and Gas Journal*, XVIII, No. 40, 5 March 1920, 66, 72. See *Records and Briefs*, I, 27-31, for the claim of Texas to land on the west side of Oklahoma.

This new suit had originated when the General Land Office of Texas had granted mineral claims in 1918 and 1919 on lands along the Red River. The claims contained such clauses as "thence down said Red River with the center line thereof," or "to a stake in the center of Red River."²⁴ The Judsonia Development Association, an Oklahoma firm, claimed some river land on which it assertedly had spent \$75,000, supporting the declaration by photographs.²⁵ The property had been granted by the Texas Land Office to a prominent Texan. Representatives of the Judsonia Association were not so much as permitted on the property. Employees swore they had been ordered off at the point of a gun.²⁶ The case was heard by Frank A. Youmans, a District Federal Judge, holding his court at Enid, Oklahoma, although the Texas claimant was not represented. The judge reached his decision in March, 1920.²⁷

He declared the south bank to be the boundary, citing treaties between the United States and Spain, the United States and Mexico, and the United States and Texas, to support his decision.²⁸ He avowed that the Judsonia Association had been dispossessed by violence. The Travis County District Court, Judge Youmans asserted, had no authority to name a receiver for property that was not in Texas. The decision, which required one hour for the judge to read, concluded by enjoining Texas from interfering with the property.²⁹ Captain Tom Hickman, a noted officer of the Rangers, received the Federal Judge's order from the hands of a deputy United States marshal. The Rangers, nevertheless, remained on the land and defiantly continued to keep off all other

²⁴ Certified copies of oil and gas permits issued by the General Land Office of Texas in 1918 and 1919 form Document 71 in *Records and Briefs*, II, 706.

²⁵ *The Dallas News*, XXXV, No. 156, 4 March, 1920, 22; No. 158, March 6, 1920, 18.

²⁶ *The Daily Oklahoma*, (Oklahoma City, 1894—), XXXI, No. 155, 6 March, 1920, 4.

²⁷ Details surrounding Judge Youman's order are disclosed in *Records and Briefs*, XIV, 2828.

²⁸ The sections of the three treaties affecting the Red River will be found in Miller, *Treaties*, III, 5-7 (Spain, 1819); 407-410 (Mexico, 1828); IV, 133-143 (Texas, 1838). A discussion of Judge Youman's decision will be found in *The Oil and Gas Journal*, XVIII, No. 41, 12 March, 1920, 69.

²⁹ *The Dallas News*, XXXV, No. 163, 11 March 1920, 1; *The Daily Oklahoman*, XXXI, No. 160, 11 March, 1920, 1; *Records and Briefs*, II, 713.

persons.³⁰ Governor W. P. Hobby of Texas then announced that his state would have a force sufficient to hold possession of the disputed Red River land. He asserted that the sovereignty of Texas was involved and only the Supreme Court of the United States had jurisdiction.³¹ The District judge of Travis County, however, continued to argue that he, and not a Federal judge in Oklahoma, could issue legal orders in the case.³²

Still another claimant, the Oklahoma State Board of Land Commissioners, then entered the squabble. That body announced that the debated land belonged to the state and not to the riparian claimants. The Oklahoma attorney general was requested to recover the land by suing. Attorney General Freeling, however, explained that already the law by which Oklahoma laid claim had been declared unconstitutional.³³ While Governor Hobby ordered more Rangers to the Texas border, three oil wells became producers and about forty others were being drilled.³⁴ With the pressures of the State and Federal governments increasing, the United States marshal for the Northern District of Texas knew not what to do. He would not arrest the Rangers who were defying a Federal Court order without specific instructions from A. Mitchell Palmer, attorney general of the United States.³⁵

All the time tension was increasing in the disputed area. The rumor was heard that if need be, Texas would call out the National Guard.³⁶ To this report Governor Robertson of Oklahoma again showed a peaceful determination when he replied, "To send Oklahoma soldiers to the border would only mean bloodshed. No one can foretell the evil of such an outbreak. . . . Of course, if Texas should make an overt invasion of our territory and disturb our peace, I shall act promptly and with vigor."³⁷ This is a

³⁰ *The Dallas News*, XXXV, No. 166, 14 March 1920, 11; *The Daily Oklahoman*, XXXI, No. 162, 13 March, 1920, 1.

³¹ *Ibid.*, XXXI, No. 165, 16 March 1920, 1.

³² *The Dallas News*, XXXV, No. 161, 9 March 1920, 11.

³³ *The Daily Oklahoman*, XXXI, No. 166, 17 March 1920, 1.

³⁴ *The Dallas News*, XXXV, No. 168, 16 March 1920, 1.

³⁵ *Ibid.*, 4.

³⁶ *The Daily Oklahoman*, XXXI, No. 166, 17 March, 1920, 2.

³⁷ *Ibid.*, XXXI, No. 167, 18 March, 1920, 1.

very pacific statement until one stops to consider just what was "our territory" in his eyes. The Rangers did not look too peaceful, as armed with rifles and pistols, they pitched their tents and lit their camp fires, strung barbed wire and instituted a patrol. Actually they were holding the land against both Oklahoma and Texas claimants. A former captain of the Rangers summed up the attitude of most Texas when he commented, "All this blood and thunder talk is coming from Oklahoma, you'll notice. This land belongs to Texas, and I reckon Texas is going to keep it."³³ Governor Hobby declared, "This state is not going to surrender territory over which it has exercised sovereignty and unquestioned possession for eighty-four years."³⁹ His statement like that of the Oklahoma governor was all right if anyone had known just what was Texas territory and what was Oklahoma's land. The suggestion that Judge Youmans call out the United States army to enforce his order was no solution.⁴⁰

If a pool were developed in the shifting sand of the river bed, the wells would be expensive, particularly because of the cost of road building.⁴¹ On the theory that a good pool would be found, Oklahoma officials arranged to sell leases in the area between the meander lines of the river.⁴² While the arguments of Texas and Oklahoma were being organized and polished for delivery before the United States Supreme Court, still another suit, a product of the conflicting title claims, was filed, and was taken to the United States Circuit Court at Oklahoma City for hearing. The filing of this case avoided the possibility of contempt proceedings on behalf of Judge Youmans, while under the broader jurisdiction, Texas officials and Rangers could be forced to appear.⁴³

The next move in Texas was the arrival of additional Rangers at the Red River.⁴⁴ Texas officials declared they were not guilty of contempt of Judge Youmans' orders because he was without

³³ *The Dallas News*, XXXV, No. 170, 18 March 1920, 1.

³⁹ *The Oil and Gas Journal*, XVIII, No. 42, 19 March 1920, 84.

⁴⁰ *Ibid.*

⁴¹ *The Dallas News*, XXXV, No. 171, 19 March 1920, 14.

⁴² *The Daily Oklahoman*, XXXI, No. 170, 21 March 1920, B-6.

⁴³ *Ibid.*, XXXI, No. 171, 22 March 1920, 1.

⁴⁴ *Ibid.*, XXXI, No. 174, 25 March 1920, 1; *The Dallas News*, XXXV, No. 176, 24 March 1920, 4.

jurisdiction, and, therefore, his orders were void at the time of issuance.⁴⁵

Thus, as March drew toward its close the legal situation was intricate in the extreme. Two receivers had been appointed in Texas, while in Oklahoma two more had been named. An undisclosed number of Rangers patrolled the disputed land, and refused entrance to all comers. Private guards augmented the state police force. The Commissioners of the State Land Office at Oklahoma City advertised that leases on all land between the meander lines of the river would be sold on April 6.⁴⁶ By that time there were four groups of claimants for the land. There were the states of Oklahoma⁴⁷ and Texas,⁴⁸ represented by their governors and attorneys general; the Indian allottees with their riparian claims, represented by the United States;⁴⁹ and the placer claimants who employed their own attorneys.⁵⁰ In one manner or another, there were in addition about three thousand individual title claimants⁵¹ for the sandy flats of the river, whose bed supposedly held oil wealth. As the days passed the situation grew more alarming and complex.

At Washington, March 29, 1920, the United States Supreme Court heard a motion of the Federal government for an injunction and the appointment of a receiver for the oil properties on the Red River. Three days later (April 1), the order of the Supreme Court was entered. It enjoined Texas from settling any purported rights to any lands lying north of the line of the south bank—as it existed at the date of the ratification of the Treaty of 1819 (February 22, 1821). Jacob M. Dickinson of Chicago, one time secretary of War, was appointed receiver of all lands "bounded on the north by mid-channel . . . and the foot of the Texas bluffs as the south bank."⁵²

The reaction to the decree differed in Oklahoma and Texas. In

⁴⁵ *Ibid.*, XXXV, No. 177, 25 March, 1920, 12.

⁴⁶ *The Oil and Gas Journal*, XVIII, No. 43, 26 March 1920, 61.

⁴⁷ *Records and Briefs*, XVIII, 18-40.

⁴⁸ *Ibid.*, 5-16; 29-32; 118-121.

⁴⁹ *Ibid.*, XIX, 1-2.

⁵⁰ *Ibid.*, XVII; *The Daily Oklahoman*, XXXI, No. 177, 28 March 1920, 1-2.

⁵¹ *The Oil and Gas Journal*, XVIII, No. 44, 2 April 1920, 74.

⁵² 252 U. S. 372; *Records and Briefs*, I, 49-50.

Oklahoma the projected sale of leases by the state was cancelled.⁵³ At Wichita Falls, Texas, nearly six hundred attorneys and claimants met to voice their disappointment and to consider whether anything could be done.⁵⁴ Dickinson pleading ill health, refused the receivership. Frederick A. Delano was appointed instead.⁵⁵ Oklahoma approved of him. Texas objected with vigor to the receiver and the order of the Supreme Court. The Court's order required Delano to take over the operation of the disputed territory. Some of the oil companies regarded the receivership as presaging their own bankruptcy. They had their rigs and drilling machinery on the ground, involving large investments, but the Supreme Court's order would permit neither the removal of the tools nor the continuance of the work. At Wichita Falls operators protested.⁵⁶ The Oil Men's Association of Red River Valley was formed and the attorney general of Texas was deluged with telegrams. Fifteen thousand dollars was subscribed and a trio of attorneys employed to press the oil men's claims. Three groups of men, roughly separated by the types of claims they held, and about three hundred wells, in various stages, were involved.⁵⁷

Delano arrived and was accompanied on an inspection of the disputed area before he formally took possession on April 20, 1920.⁵⁸ A full page of newspaper advertisement, paid for at legal rates, served notice that Delano was acting with the authority of the Supreme Court of the United States and announced the boundaries of the land that he would control.⁵⁹ To determine what had been the bank of the river in 1819, the United States employed ecologists to make a scientific study of the soil and vegetation.⁶⁰ Delano was amazed by the fact that 170 wells were

⁵³ *The Oil and Gas Journal*, XVIII, No. 45, 9 April 1920, 88.

⁵⁴ *The Daily Oklahoman*, XXXI, No. 182, 2 April 1920, 1.

⁵⁵ *Ibid.*, XXXI, No. 188, 8 April 1920, 1. Delano was an attorney who once had been a member of the Federal Reserve Board, appointee of President Wilson.—*The Oil and Gas Journal*, XVIII, No. 46, 16 April 1920, 51.

⁵⁶ *Ibid.*, XVIII, No. 45, 9 April 1920, 18; 252 U. S. 372.

⁵⁷ *The Oil Weekly*, XVII, No. 2, 10 April, 1920, 16.

⁵⁸ *The Oil and Gas Journal*, XVIII, No. 47, 23 April 1920, 60.

⁵⁹ *The Daily Oklahoman*, XXXI, No. 206, 26 April 1920, 1, 3.

⁶⁰ *The Oil and Gas Journal*, XVIII, No. 48, 30 April 1920, 61.

producing only 8,890 barrels, although many of them had flowed initially at a daily rate of one thousand barrels.⁶¹ In the scramble for oil, drilling had followed recklessly without regard to future production from the wells.

As an outcome of the permission granted the United States to intervene on the part of the Indian allottees, another receiver to represent the Indians' claims was appointed by a Federal Judge at Oklahoma City May 11.⁶² The petition for a receiver had been filed in the United States District Court at Oklahoma City on April 16, by John A. Fain, special assistant district attorney, who represented ninety-eight claimants, of whom forty-eight were Kiowa, Apache and Comanche Indians.⁶³

By the time this new receiver was appointed, Delano had developed a program for handling his own task. He took into account the rapid decline of the wells although their initial production had been high. He called attention to the fact that thirty-four wells had been dry.⁶⁴ Then he announced that the entire region under his control would give up its competitive aspects and be operated as a unit. He thus set an operational precedent that later would become a practice in the oil industry. The operators would be paid rentals for their equipment, while the colorful names of the wells would be dropped for serial numbers. The number of foremen was reduced from 127 to four. Except in emergencies, no work would be done on Sundays.⁶⁵ Delano would permit only three or four wells to be completed each month. He admitted that he was not an oil man but vowed that he understood sound business principles. His unit operation of the area would cost \$400,000 a month, which Delano upheld as a saving plan.⁶⁶ Some claimants continued to hold irate sessions in Wichita Falls, where they

⁶¹ *Records and Briefs*, I, 67-72, 102; *The Daily Oklahoman*, XXXI, No. 219, 9 May 1920, B-4.

⁶² *Ibid.*, XXXI, No. 223, 13 May 1920, 1.

⁶³ *The Oil and Gas Journal*, XVIII, No. 47, 23 April 1920, 32.

⁶⁴ *Ibid.*, XVIII, No. 50, 14 May, 1920, 21. Delano received specific orders from Supreme Court June 7, 1920—253 U. S. 465.

⁶⁵ Delano's report is in *Records and Briefs*, XVI, 1-12; *The Daily Oklahoman*, XXXI, No. 228, 18 May 1920, 1.

⁶⁶ *Ibid.*, XXXI, No. 230, 20 May, 1920, 1.

raised \$50,000 with which to oppose Delano. They denounced the United States for interfering, and Texas for having "laid down on them."

As their acquaintance with Delano's activities grew, the oil men became more angry. Previously they had not realized that the receiver's authority was sufficient to prevent the movement of their tools and equipment from the disputed area. Now, they found that a surety bond was required before a driller could carry one of his own pipe wrenches home.⁶⁷ Delano effectually abrogated the contracts made previously by the contractors. He sold crude oil at \$3.50 a barrel, instead of \$3.75 or \$4 which some of the operators had arranged. He even refused to employ the owners or operators in handling their own properties, although in one case the oil man offered his services at one dollar an acre. In particular and in general, the operators objected to the management of the pool as a unit. They sneered at the five automobiles, costing about \$3,000 each, which Delano had purchased for the use of himself and his assistants.

Delano firmly held his position, avowing that the wells must pay their actual costs of operation beginning April 1. He planned to drill sufficient wells but not too many. He wanted to return the idle tools and supplies to the owners, and he desired to protect the wells with fire insurance. He sought legal authority to dispose of the water and gas encountered in the drilling and operation of the wells.⁶⁸ He characterized the previous development of the pool as one that followed a "dog-eat-dog" policy, obviously causing the operators to lose money. He cited the initial bonus payment as about fifteen thousand dollars an acre and the average drilling cost as ten thousand. He believed the cost of drilling should have averaged no more than three or four thousand dollars.⁶⁹

When the brief for the Indian wards of the United States was filed with the Supreme Court it alleged among other things that Delano's plan was inadequate, and specifically suggested new ins-

⁶⁷ Most of *Records and Briefs*, XVI, is devoted to objections to Delano's report. *The Oil and Gas Journal*, XVIII, No. 51, 21 May 1920, 24.

⁶⁸ *Ibid.*, XVIII, No. 52, 28 May, 1920, 18-19.

⁶⁹ *Ibid.*, XVIII, No. 51, 21 May 1920, 64.

tructions for the Federal receiver.⁷⁰ Delano retorted that United States Attorney General Palmer was not cooperating, while other people hinted that Palmer's attitude was colored by the fact that he was a potential candidate for President. More than that, Delano asserted that he was ready to quit the receivership.⁷¹ The united oil operators took a hand and telegraphic protests poured into Washington. The West Texas Chamber of Commerce added its weight to the opposition to Delano. Attorney General Palmer promised relief to those patent claimants south of the line of vegetation.⁷² To the chairman of the State Democratic Convention in Oklahoma Palmer telegraphed that an improved plan for the Red River operation has been submitted to the Supreme Court.⁷³ Despite Palmer's assurances, Texas oil men did not approve the suggestions of the Department of Justice.⁷⁴

In June the Supreme Court restored the lands south of the river and above the vegetation line to the patent claimants, but the operation of the wells was left with Delano, who continued to run the pool as a unit.⁷⁵ This action of the Court returned 102 wells with a daily production of 3,500 barrels to their owners. Delano was left in charge of thirty-five wells definitely in the bed of the river.⁷⁶ Oil men continued to object although Delano defended his activities with the assertion that the production of the wells had been increased ten per cent.⁷⁷ In the same order the Supreme Court appointed Frederick S. Tyler to gather evidence in the boundary controversy.⁷⁸

By July the bed of the Red River as an oil producing area had become a definite disappointment. Several new holes were dry.⁷⁹ A well completed in the sands of the river bed (the first such producer), had an output of only seventy-five barrels daily.⁸⁰ While

⁷⁰ *The Daily Oklahoman*, XXXI, No. 238, 28 May 1920, 1.

⁷¹ *Ibid.*

⁷² *The Oil Weekly*, XVII, No. 9, 29 May, 1920, 21.

⁷³ *The Daily Oklahoman*, XXXI, No. 241, 31 May, 1920, 1.

⁷⁴ *The Oil Weekly*, XVII, No. 10, 5 June 1920, 36.

⁷⁵ These orders of the Court to Delano were issued June 7, 1920—253 U. S. 465.

⁷⁶ *The Oil and Gas Journal*, XIX, No. 2, 11 June 1920, 90.

⁷⁷ *The Oil Weekly*, XVIII, No. 1, 3 July 1920, 56.

⁷⁸ 253 U. S. 471; *The Dallas News*, XXXV, No. 253, 8 June 1920, 13.

⁷⁹ *The Daily Oklahoman*, XXXI, No. 275, 4 July 1920, B-6.

⁸⁰ *The Oil and Gas Journal*, XIX, No. 9, 30 July 1920, 60.

the second birthday of the Burkburnett Townsite Pool was observed with a daily production of 100,000 barrels,⁸¹ United States Supreme Court Commissioner Tyler listened to detailed evidence on the boundary question⁸² at St. Louis, Oklahoma City and many small towns in the region.⁸³

At the end of September, Delano filed another report in which he showed the return of 113 wells to the operators and in addition net proceeds of \$3,873,488. He was still supervising the operation of forty wells for thirty-three owners. He suggested that an economical plan for the future would be to divert or deflect the stream of the river to one side until the wells were ready to be abandoned. The water could be turned then to flow on the opposite side while the other half of the bed was drilled for oil. He called attention to the savings resulting from the use of gas in producing oil. In July he had sold the oil for twenty-five cents more than the market price. He carried fire and tornado insurance on the oil properties, and liability insurance for the workers. In six months he had completed fourteen wells, and he had found the average cost to be about \$20,000 instead of an anticipated \$9,000 each.⁸⁴

Attorneys for Texas and Oklahoma argued their cases before the Supreme Court of the United States in December, 1920. The Oklahomans quoted from the diary of John Quincy Adams to prove that Oklahoma owned everything north of the south bank.⁸⁵ The Texans were equally erudite in discoursing profusely on the phraseology of historical documents. After extended arguments, the decision, which amounted to the first chapter of the case only, was delivered April 11, 1921. It set the dividing line as the south bank of the Red River,⁸⁶ thereby eliminating Texas claims. That, of

⁸¹ *The Oil and Gas Journal*, XIX, No. 8, 23 July 1920, 20.

⁸² *Ibid.*, XIX, No. 7, 16 July 1920, 83. In four orders Frederick S. Tyler was named to serve in the case or cases—253 U. S. 471; 256 U. S. 603, 605, 608.

⁸³ *The Oil and Gas Journal*, XIX, No. 9, 30 July 1920, 2. Tyler amassed a great volume of documents for which see *Records and Briefs*, I, II, IV, VIII, IX, X.

⁸⁴ *The Oil Weekly*, XIX, No. 7, 13 November 1920, 24.

⁸⁵ Oklahoma referred to Dr. John Silby's letter to Jefferson in 1805 as evidence of navigation, *Records and Briefs*, II, 769; *The Oil and Gas Journal*, XIX, No. 29, 17 December 1920, 78, 80, 82.

⁸⁶ 256 U. S. 70; 252 U. S. 372.

course, was only part of the solution, since an exact delineation of the "south bank" remained imperative. The Court, therefore, ordered a special investigation on which to base a later decision.⁸⁷ In December, 1921, the next chapter in the story of the wide sandy bed of the Red River was argued before the Supreme Court. Since Texas no longer had any property interests in the river bed, the question now was to decide the validity of the claims of the state of Oklahoma and the many individuals. Constitutional equality gave Oklahoma entire control of navigable streams within its boundaries, but despite all evidence and arguments to the contrary, the Supreme Court held the Red River was not navigable.⁸⁸ In this case, the concern of the Court was quite intricate. Oklahoma claimed the entire river's bed, while the United States argued that the federal government owned all the south half, and on the part of the Indian allottees, some of the north portion. Therefore, the Court was required to decide whether the Indian allotments contained any rights to the river bed; and whether such a right extended to the medial line or to the Texas boundary on the south bank.

These questions were complicated by the arguments of three groups. Oklahoma and the placer claimants contended that no rights to the bed were attached to the upland holdings. The United States declared that the riparian rights extended to the medial line. The riparian claimants were positive that their rights reached the Texas boundary. The Supreme Court decreed that the riparian claims, many of which were Indian, reached only to the middle of the river, thus eliminating all the claims to the south half of the bed.

⁸⁷ The Supreme Court ordered specific evidence to be gathered on the actual river's course—256 U. S. 608. The resulting case was decided January 15, 1923—260 U. S. 606.

⁸⁸ Oklahoma went to extreme lengths in supporting its argument of navigability. An excerpt from a newspaper of Red River County, Texas, 20 August 1842, was quoted—*Records and Briefs*, II, 1169. Jefferson's message to Congress in 1806 dealing with the Lewis and Clark expedition (Doc. 113, 9th Cong., 1st Session) was called on.—*Ibid.*, II, 767-8. The decisive evidence, however, was the report made in 1911 by Captain A. E. Waldron, Corps of Engineers, in which he related his troubles in dragging an empty boat through four inches of water or less.—H. D. 193, 63rd Cong., 1st Sess.

Then the Supreme Court was confronted by the numerous parties, oil companies and individuals, who had intervened in seeking the proceeds of the oil and gas properties. Some of these claims were in conflict, and all were in disregard of the three principals in the case. Although the Supreme Court agreed that some of the Indian allottees held valid claims and that there was justice in some of Oklahoma's school land contentions, the Court nullified other titles. It disposed of the placer claimants by ruling that 'this part of the bed never was subject to location or acquisition nor . . . under any of the land laws, therefore that these locations were of no effect and conferred no rights.'⁸⁹

Thus the interests of thousands of persons in the Red River boundary were concluded in an opinion by the Supreme Court of the United States.⁹⁰ The Red River was not actually navigable where it bordered Oklahoma. Therefore, Oklahoma's title was incidental only to ownership of the lands on the north bank. The United States became the owner of the south half of the river's bed. Federal mining laws never applied to the parts of the river bed lying within, or south, of the Indian reserve, once called the Big Pasture. Petitions based on leases from Oklahoma or on locations under the mining laws of the United States were dismissed. The many participating interveners—four and one-half printed pages of them, containing many fantastic company names—were informed that they never did acquire any rights whatsoever to land.⁹¹ Sixteen thousand pages of testimony had been collected and submitted by the United States Commissioner, Frederick S. Tyler, after numerous hearings.⁹² Much of that evidence was considered in the final opinion, recorded January 15, 1923, in which the Supreme Court defined and delineated the actual boundary line.⁹³

Frederick Delano, the Federal receiver, submitted his ninth and final report in October, 1922. Little of the spectacular or sensational was contained in the document, which summarized two

⁸⁹ 258 U. S. 574.

⁹⁰ For practical purposes, and actually, there was one decision in two parts, recorded in May, 1922, (258 U. S. 574) and in June, (259 U. S. 565).

⁹¹ 259 U. S. 565.

⁹² *The Daily Oklahoman*, XXXIII, No. 196, 23 April 1922, A-15.

⁹³ 260 U. S. 606.

years and five months of operation of the oil properties. The disputed land had produced a revenue of \$10,400,933 between April, 1920, and September, 1922. The expenses had been about \$1,616,000, every penny of which was meticulously reported. For nearly a year there had been no new drilling, following the direction of the Supreme Court.⁹⁴ The payroll had been reduced and production delayed, causing the wells controlled by the receiver to produce more oil than those that had been restored to their owners. Despite precautions, production was declining at a rate of about a barrel a month at each well. The gross expense in producing 53,000 barrels of oil in one month was \$22,000, about thirty-eight cents a barrel. By tightening all connections to reduce evaporation, the receiver had succeeded in raising the gravity of the production from thirty-seven to forty-one degrees. The leases produced about 45,000,000 cubic feet of gas each month, a part of which was consumed in pumping. Despite the complications involved, Delano's books kept the accounts of each well in minute detail. Every piece of equipment was recorded. Delano invested part of the accumulated money in interest-bearing securities—\$1,600,000 in Victory Bonds and \$1,040,000 in Treasury Certificates. There was additional cash, a total of about \$3,000,000, on deposit at banks in Oklahoma, Texas, and Washington, D. C. The document was prepared in triplicate, so that copies might be sent to the Supreme Court, as well as being filed at the field warehouse and at the Wichita Falls office.⁹⁵

So ended the dispute, an affair in which the Supreme Court operated part of an oil pool.⁹⁶ It was an outgrowth of the Burkburnett Oil Pool, although no considerable amount of petroleum ever came from the bed of the river. It involved hundreds of oil companies and countless individual operators and investors, two states, the United States, Indian allottees of three tribes, state police, deputy sheriffs, United States marshals, privately hired guards,

⁹⁴ Orders directing Delano's activities included: 253 U. S. 465; 256 U. S. 602, 603, 604, 607.

⁹⁵ *The Oil Weekly*, XXVI, No. 8, 19 August 1922, 16-17; XXVII, No. 5, 23 October 1922, 11.

⁹⁶ A third state, Arkansas, wanted to intervene in the case, but the Supreme Court denied its petition—258 U. S. 606.

attorneys, business men, chambers of commerce, six receivers or more, scientists, newspapers, state courts, Federal district and circuit tribunals, and above all the United States Supreme Court. With all the hub-bub, significant accomplishments resulted. Delano proved, despite conflicting and unwilling private property interests, the economic value of operating an oil producing area as a single unit. By that accomplishment he initiated far reaching changes in petroleum production methods and management. The exact boundary between Oklahoma and Texas was delineated. The Supreme Court enunciated the principle that legal navigability must likewise be actual, while giving the United States half of a sandy river bed.

The Determinants of Full Employment

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From the *faubourgs* of Mediaevalism to its guilds a story was told of uprooted, ungraded men, beset by economic and political exposure, erecting buffers between themselves and peril.¹ The masterless men became masters. This protectionist response of the traders to the vicissitudes of an unstable world eventuated in mercantilism, with the descendants of the primitive bourgeoisie, now allied with royalty, ignoring the travail of the unprotected. Ultimately protection for the commercial elite was undone by the exposed elements—the masses of small merchants overrunning the western world. They conceived an elemental hate for monopoly, finding thoretical support for their hatred in the economics of the free automatic market, a theory given to the world on a wave of trade expansion. Traders venturing to the far markets of the world believed that the fewer the barriers the better, especially with the "New Economics" assuring them that utter lack of restrictions would permit the "unseen Hand" to scatter prosperity on the whole of society itself. Perfectionists marvelled at this happy coincidence of individual grabbing and social welfare. So did the common man.

For a century the wave swept out, enveloping the world. Then it spent itself. As the waters receded, practice dictated an about-face and modern counterparts to guild and mercantilism appeared in pool, trust, cartel, monopoly, oligopoly. Theory could not change with unceremonial haste, but practice was not so restricted. Even-

¹ H. Pirenne, *Economic and Social History of Mediaeval Europe*.

tually, however, protectionism² had its apologetic, the theory of imperfect competition.

The flight to protectionism of the traders, behind a rampart of economic maneuver and legal obfuscation, left major elements of society exposed to what the traders were trying to evade, the devastation of the free market. Collapse of that mechanism occurred rhythmically and destructively. In times of stress monopoly exhibited the benefits of protection in stabilized prices and curtailed production. It was to be expected that these visible indicia of protection, which oftentimes prevented even the slightest reduction of dividends, would impress the unprotected and that the sufferers from economic anarchy would move to obtain like shelter. This happened after the typhoon of 1929, which was weathered best by the protected; the unprotected, fleeing the destruction wrought by the free market, ran for cover under NIRA, NLRA, AAA, etc., and their counterparts in other nations.

Then the full logic of protectionist economics exhibited itself in a society all of whose major groups were committed to the practices of stabilizing prices and tailoring production to the market "carry off". Let an oligopolist group stabilize prices and curtail production and it forced other oligopolies to do the same, after which the process reacted on its initiator. Lacking control of the market itself, however, an individual oligopoly had no alternative. It could protect itself only by trying to outrun its monopolistic competitors in this race of economic death. This is the economics of constriction, the economics of protection. Its logic would squeeze production and employment to zero, unless interrupted by societal reaction. Practically, politico-economic response seemed limited to

² The term "protectionism" is used in the argument that follows in the same sense Karl Polanyi (*The Great Transformation*, Farrar & Rinehart, N. Y. 1944) uses it. The Polanyi thesis is that society's major groups had to develop means of "protection" from the devastation of that darling of the 19th century economists, the free automatic market. This thesis is peculiarly important in a discussion of full employment, for, if true, it runs counter to the Keynesian School's (the group that has raised hopes of a solution of the full employment problem within the prevailing institutional framework) assumption of competitive conditions. If valid it would make the teachings of Keynesianism "misleading" and "disastrous" if applied to the "facts of experience."

reform that would destroy the constricting economy or to the export of unemployment to another nation: "Export or die".

Before the Western Nations came fully to grips with constriction at home they embroiled themselves in the second alternative and its inevitable outcome, war. Not, however, before the problem was indelicately dragged into respectable economic theory. The scandal of the free market's major blemish had been whispered in the theoretical "underworld", but not in respectable circles. Now, a respected Marshallian had touched it. Reluctantly the theorists went to work. The problem was how to expand a constrictionist economy, though it came to be called the "problem of full employment". This nicer name did not confine the theoretical objective to relieving the miseries of the human unemployed. Fully as much tender solicitude for the other "factors of production" was involved. Constrictionist reality had driven theorists and statesmen into the problem before the war, and the uneasy feeling that it would raise its ugly head again, with cessation of hostilities, drove the thinkers and policy makers ceaselessly forward. Toward the conflict's end the stream of discussion expanded. "Full Employment" had the spotlight.

By common consent it was Keynes who had precipitated the theoretical imbroglio and given it its major direction of development. In bringing it up, despite some harsh words in the beginning of his book, Keynes had expressed the hope and belief that, once full employment was achieved, the received theory would take over validly. In his hands the problem became that of closing a gap, the gap between savings and investment. This comparatively minor defect could be remedied, he implied, by scraping the interest barnacles off the capitalist ship. Thereafter, the risk takers could navigate more freely and they would close the gap. For the shortrun, he gave his blessing to a temporary expedient, deficit spending, as a "shot in the arm" to collapsed economies, extolling this monogamous union of fiscal policy and multiplier. Worried by difficulties that might precipitate themselves in the long run he came around, in a sort of footnote chapter that now promises to immortalize his book, to kind words for redistribution of income. This might be necessary, it seemed, to control effectively society's

"propensity to consume". With incomes uncontrolled, the "propensity to consume" might recreate the fatal day by dropping, a circumstance tantamount in Keynesian terminology to an excessive rise in savings, the circumstance which had created the gap in the beginning.

These ideas fell in happily with the theory, already rather generally accepted, that public works were a fine thing for governments to undertake in critical times. Such undertakings now made multiplier and gap-closing sense. Governments were already spending money on the unemployed; *The General Theory* also made this proceeding tolerable. No cure was effected in the English and American guinea pigs, however, prior to the war, a circumstance thought in Keynesian quarters to be due to insufficient medication. Too busy at the bedside to undertake further heavy thinking, Keynes, of necessity, left such knottly issues to his disciples. And since the Keynesian "Revolution" had spread far and wide, an abundance of disciples stood ready for the task. They took over and it was in their development of the "New Economics" that the nature of the "determinants of full employment" came fully into the theoretical limelight.

In Oxford, late in 1944, the Institute of Statistics published *The Economics of Full Employment*, joint theoretical product of six disciples of the New School. In its pages the General Theory was brought to bear on the determinant problem. The upshot was that three routes seemed open to the goal: deficit spending, stimulation of private investment and redistribution of income.³ The issues were sharpening, however, and where the Master could be somewhat vague about the determinants that could sustain full employment, his pupils had to achieve clarity on the matter. If full employment was to exist, the determinants had to be known and used. Spurred on by this fact, the Oxford Economists discarded the Keynes doctrine for stimulation of private investment, explaining that "both for fundamental and for technical reasons" it was not "satisfactory".⁴ Either of the two remaining possibili-

³ *The Economics of Full Employment*, Institute of Statistics, Oxford, 1944, Chapter 2.

⁴ *Ibid.*, p. 57.

ties, it was thought, would make full employment possible. They seemed to prefer the third route, urging that government expenditure, financed by progressive income taxation, "should be pushed as far as politically possible, and, if this is not enough to secure full employment, expenditure should be expanded as much as is necessary by means of borrowing."⁵ This conclusion left the issue of determinants clouded somewhat. Could deficits, created through borrowing, and redistribution of income, singly or in combination, guide governments to sustained full employment? Were these remedies for constrictivism sufficient?

Before these matters were clarified by the theorists the Keynesian Revolution took other turns. One of them was Evangelism. Saturated with human kindness and social work fervor Sir William Beveridge started piping humanity to a search for The Economic Grail. As a preliminary exercise he had devised a scheme of universal society security for suffering Britain⁶; now he was leading on to "Full Employment in a Free Society!"⁷ The gap was to be closed nevermore to open in this world. Provided his social security scheme was in effect, Sir William thought deficit spending, redistribution of income and a variety of government controls over the economy would provide ample salvation. If union wage action threatened to throw prices out of line (something that, he admitted, would make achievement of full employment impossible) he advised wage controls. For capital he proposed control of location of investment and of location of industry. Government ownership and control of monopolies was necessary, he thought, if monopolies tampered with the price structure. Finally, Britain must insulate herself from any nations likely to try to export their unemployment, while opening her arms in full sorority to those adopting a full employment program. The New Economics, plus Government Control, could capture the Grail. Best of all, men could retain their "Free Society." This happy piping, however, did not re-elect him to Parliament.

Sir William's proposals smacked somewhat of giving up the automatic free market, a jarring concession to ask of a market econ-

⁵ *Ibid.*

⁶ The "Beveridge Plan."

⁷ Sir William Beveridge, *Full Employment in a Free Society*, George Allen & Unwin, Ltd., London, 1944.

omy, since it would involve its disappearance. England was not swept solely by this Galahad current, however. Other Keynesians affirmed their faith in the "unseen Hand"⁸ and sought to show that "A correct Keynesian policy should regenerate free competition and re-establish capitalism on renewed foundations."⁹ They rejected the controls implicit in the Oxford analysis and clearly stated by Beveridge, and turned to government control of the volume of monetary circulation as the only form of action needed. This control could be exercised best simply by the government creating "new money", without any use of borrowing, and pumping it into the economy. This determinant, it was argued, would be enough. None of Beveridge's pernicious controls over the free market would be necessary, if labor could be persuaded not to demand rising wages to compensate for rising prices. What should be done if business monopolies should push prices upward has never been specified by this group of "right-wing" Keynesians.

Thus, both the deficit and income redistribution avenues were to be avoided. The first was bypassed with the argument that government borrowing was no longer necessary or sensible. In fact, "The existing consolidated internal debt of the State should be bought up at the earliest opportunity by the issue of new money . . . as soon as occasion arises for the application of an expansionist policy".¹⁰ The second was also rejected as unnecessary since the gap would be closed by issue of the new money by governments. The negative effect of income redistribution on incentives was noted also.

These are the determinants that have emerged from the Keynesian Revolution, the measures by which constrictionism might in the opinion of the theorists be counteracted in a fully protectionist society. Our task is not finished till they have been examined in the light of their reception by such a society. Before we undertake this task, however, it is necessary to examine a position, that has

⁸ E. G., Professor M. Polanyi, *Full Employment and Free Trade*, Cambridge University Press, 1945.

⁹ *Ibid.*, p. x.

¹⁰ *Ibid.*, p. 41.

a long history in economic theory, and which now stems in some current instances from Keynes. Not all the adherents to the proposal, however, are genetically related to Keynes' general body of doctrine.

Adherents of the new position, whether or not their thought stems from Keynes, reject the main Keynesian position—the possibility that investment could close the gap. They stress, instead, expansion of consumption to close it. One of them has recently put their position, in relation to Keynes, in the following way: "Keynes holds that the *real* (italics in original source) cause of unemployment is lack of investment, while I ascribe it to lack of consumption."¹¹ Accordingly, the new determinant must close the gap from the consumption side. From some of the school the need for clarifying the means to this end evokes "misgivings" about the ability to prescribe a proper course. As a matter of fact, the evolution of the Keynesian line of thought has provided the practical alternatives. They are deficit spending (including the money creation suggestion discussed above), and redistribution of income.

These are not, as a matter of economic fact, alternatives. They are the same thing. Any government that issued "new money" would be redistributing income, unless it could take the impossible precaution of seeing that each citizen got his share of it, pro rata according to existing income. The whole line of Keynesian theory underscores the fact that it is the income of those whose "propensity to consume" is highest that needs modification. Therefore, the only issue of "government created" money that would help close the gap would be that going to the low income group. This would be one way to redistribute income.

We may pause momentarily to dispose of redistribution thru borrowing. This is a scheme for redistributing that has to be undone later, when the bondholders are paid off principal and interest. Its ultimate result is to restore precisely the conditions for which correctives were needed. For that reason such "borrowing" deficits are certain to be ineffective in providing sustained

¹¹ H. Gordon Hayes, *Spending, Saving, and Employment*, A. A. Knopf, N. Y., 1945, p. 141.

employment, unless the bondholders who receive their principal and interest are summarily relieved of it by taxation to prevent their savings opening the gap again. If this latter step is necessary in the end, it might as well be used in the beginning.

Redistribution solely thru printing money is an invitation to inflation, whatever other theoretical merit it might have. And inflation is the fastest way ever invented to redistribute income—upward—unless printed money could be very closely controlled and closely directed into the needed channels, i. e., the low income brackets, which the protectionists would desperately oppose. If we reject the proposal to print money to close the gap, then, we have the only one alternative left—redistribution of incomes thru progressive taxation, to close the gap, by increasing consumption. The amount that would have to be taken from the high incomes where saving—the fatal first step—occurs would be, by the testimony of classical economics itself, sufficient to close the gap,¹² for total income and total outlay cannot fail to be equal.

Thus we come to the end of the trail of our economic determinant. It is redistribution of income, to make the pattern of consumption *equilibrate* the pattern of production. At full employment both the income pattern and production pattern would be high. Progressive taxation, already a respectable cultural practice, would be the proper instrument for the task.

We have not done with a determinant, however, till we have examined the reaction of a constrictionist society to it. Theoretically, such a society could accept redistribution of income with peaceful alacrity and that would be that. Practically, no constrictionist society is likely to do so. Its high incomes, which the economists consider the very source of evil, are looked on, by the groups possessing them, as the finest fruits of protectionism. Nor do they trust the multiplier enough to risk the chance that ultimately, more than their taxes amount to might come back, like bread on the economic waters.

As evidence we may cite the nation's experience the past decade. We could not even raise taxes high enough to prevent piling up

¹² C. E. Ayres, *The Theory of Economic Progress*, U. N. C. Press, Chapel Hill, 1944, pp. 273-4.

an enormous debt in the midst of war, nor even, as one economist lamented, fight a one-per cent war.¹³ So far as the most powerful oligopoly was concerned, its choice was income taxation or deficit by borrowing. It accepted the deficit route. It had a chance that way, to protect itself and perhaps survive. If things came to a showdown, it could accept Professor Michael Polanyi's invitation to print enough money to pay off the deficit. This was, as a matter of fact, likely to be the practical alternative chosen, if economic chaos paralysed the western nations again. This inflationary measure would dispense with the rentiers and convince them Keynes meant their euthanasia. It would be the price of preserving the ancient system as intact as possible. Such a course might also provide a chance to do away with the most dangerous competing oligopoly to business—organized labor. It could be charged, and, convicted, of the crime of pushing the price level out of control, a charge already being made.

And after labor, only the farmer oligopoly, wobbly and strained under the weight of newness and clumsiness, would remain. It had enough internal strains to render it ineffective. Agriculture was a divided camp, with the strong internal groups abandoning the general fight, for the battle to protect special crops. Evidence of the trend was already discernible in the writings of farm economics theorists.¹⁴ If, after the internal battle of oligopolies was over, unemployment remained a pressing problem, it could again be exported, by war if necessary.

This was the "fatal oversight" of the Keynesians and consumptionists—their failure to assess correctly the nature of the protectionist fabric of a society stung to desperation by the ravages of the anarchic free market. This monopoly society could soak up expansionist funds, multiplier included. Thus on the economic level it blocked both the deficit and the redistribution routes to stable full employment. Beveridge had failed to see the problem in true perspective. Effectively applied, his "government control" of monopolies would mean government taking over the whole of

¹³ Professor S. E. Harris in a recent issue of the *American Economic Review*.

¹⁴ See Theodore W. Schultz, *Agriculture in an Unstable Economy*, McGraw-Hill, New York, 1945, Part IV.

a society that had dedicated itself to protection thru strictionist economic practice.¹⁵ Nor was his faint hope for monopolistic good behavior realistic. The idea that the oligopolists that stood to lose most by such actions would either invite or tolerate government control and income redistribution was nothing short of nonsense. The Keynesians and consumptionists were overlooking the lesson of war so recently taught by the Nazi strictionists. Monopoly, they admitted, could block full employment, but it was the extent of monopoly they did not understand. It saturated existing nations; it was spurring England on, by proving the Keynesian necessity thereof, to formation of a protectionist empire bloc if things did not go well.¹⁶ This protectionist fabric, swung over blocks of nations, was what Western society would turn to as the preliminary to another war, unless it was completely shorn of its strictionist logic, the logic of protectionism.

The protectionist culture of Western civilization constituted, then, the main barrier to sustained full employment. It was the product of generations of belief in the individual as the basic social unit, and in the beneficence to society of his and his group's ambuscades of wealth. This was the source of striction, this belief that society existed thru the individual, and that its welfare coincided with individual trader logic, even if that logic was protectionist in its outcome. Unless Western society could rid itself of this snakeskin of strictionism it could not create a fully employed, peaceful, free society. If this proved impossible, then striction would again lead to the temporary overemployment of war and the permanent underemployment of peace. The real determinant of full employment would have to be cultural redirection of the West.

¹⁵ Beveridge has ample company in this respect. For example, Thurman Arnold's pea-shooter barrage against protectionist groups. Another instance is the proposal of economists to "atomize" monopolies and oligopolies, advanced, apparently without realization of the true extent and nature of protectionism, as a solution of strictionist-born problems. If the protectionist thesis is correct this "atomization" program, in action, would have the result achieved by using electric shears on the Hydra.

¹⁶ Such an alternative is especially clearly indicated in the work of both Beveridge and the Oxford group.

By the end of the war that followed the constrictionist decade of the Thirties some indication had emerged, from the reaction of the public and the work of theorists, of what such cultural redirection was likely to involve. First of all, the absurdity of scarcity in an economy of unused resources and manpower was being generally felt. It could be expected that, in the long run, these means of supplying usable goods would be called into use.¹⁷

Putting the unused means to use, however, would involve revocation of the powers and rights by virtue of which protectionist-constrictionist practices were made impossible, a step which could only take place when the beliefs and laws supporting constriction were brought fully to light. This was being done in the intensive theoretical economic study and in the ineffective legal campaigns waged against the protectionists. On a wider stage a growing coolness toward ancient beliefs was observable. The symbols that had, for example, stirred the Twenties fell without much effect on the public, though they affected Congress. The time had come when the rights supporting constriction, such as the patent laws, misguided public policy, and blindfolded economic theory were being called into question.

Granting the decline of the "divine rights" supporting constriction, however, there remained the problem of how to replace it with expansionist economic practice. Here, the Keynesian Revolution had clearly paved the way for the perception of what it did not itself contain in a developed form. Keynes had rejected Say's Law, only to try to patch it up with expanding investment. For a variety of reasons this was an insufficient remedy and theorists, such as the Oxford group and American economists with them, were turning to a means implicit in Keynes' thought and analysis. This means was redistribution of income.

Moulton had shown that capital formation did not precede, but followed, increase of demand. Various studies had spotlighted the fact of oversaving, not followed by automatic investment of savings,

¹⁷ Public opinion was strong enough, for example, to force inclusions of the "right to work" in the United Nations charter, on the ground that it "is fundamental to any kind of individual freedom." This strong popular support for "full employment" was likely to help undo constrictionist practice.

in the high income brackets. It was becoming clear that these savings, though they might be the desired fruit of protectionism, were the source of economic trouble. Building them up was the only way protectionist groups knew to protect themselves from the collapse of the free market. But such storing up for a rainy day, in the form for example of contingency reserves, only made the rainy days come quicker and last longer. The oligopolies were impaled on this economic dagger.

How soon expansionist economics, which would offer real protection to society and its constituent groups, could be achieved depended on whether the philosophy of protectionism, thru the constrictorist economics of individual group action in the form of monopoly, oligopoly, etc., could be shown up as unworkable protectionism, and replaced with a realization that only a functioning economy could ward off disaster for everyone. Put into economic language, how soon expansionist economics replaced constrictorism depended on how soon the economy learned the fallacy of protectionist saving, and reversed it in favor of protectionist spending. The latter only could offer real protection from the ravages of the market.

Here was the solution, being pointed out by various analysts, to the problem being attacked by the anti-monopolist theoreticians. It was the stagnation of savings that caused the oligopolies to face a contracting market and react to it by stabilizing prices and cutting production, which brought on more, and more "efficient," monopoly to counteract more market contraction. Such contraction of production was oligopoly's real "sin" in economic eyes. It was the practice that brought on unemployment, and high prices.

A realistic appraisal could not be too optimistic of early results so far as cultural redirection was concerned, even though the economy had been demonstrated to be unworkable on the ordinary protectionist basis. The "imbecile institutions" though being undermined, were still strong, and only the passage of time could reveal how close the West was drawing to a reversal of protectionism.

What could be told, however, was that the reversal would have to come, if the West was to survive as a 'going concern,' and that, on the economic level, if it came, it would take the form of the abandonment of protectionist saving, coupled with a more realistic appreciation of the nature of scientific production technology and its possibilities for promoting group economic welfare.

The Significance of Technical Electoral Decisions in Italy*

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It is generally considered that if a non-elected government fulfils a promise to restore free elections, its duty has been adequately done. There are, however, certain technical procedures which the government must choose *before the election is held*. Whether made with awareness of their probable results or not, these choices will decidedly affect the outcome of the elections.

If sufficient precautions are taken to insure that the election for the most part is genuinely free, the non-elected government's influence lies in the decisions it makes governing the composition of the voting body and the type of representative system to be used. It is the purpose of this paper to evaluate the possible effects of the adoption of any of the technical electoral alternatives open to the Italian government. To this end, the questions of women's suffrage, non-voting, voting qualifications, and competing representative systems will be examined in the light of recent Italian history, with particular reference to pre-Fascist experience.

Women's Suffrage

Female suffrage was not an issue in Italian politics until around 1919. In the first place, the feminist movement originated in bourgeois, Protestant countries where the *mores* concerning women's place in the home first broke down. In these countries women gained a degree of economic independence by being either a member of the leisure class or a worker. There was no comparable feminist agitation in Italy. In the second place, because of the historic conflict between Church and State in Italy which resulted in the virtual withdrawal of the Catholics from political life until 1913 (the Gentiloni Pact), there were no religious parties to press for female enfranchisement.

In 1919, however, the Christian Democrats Party (*Popolari*) first rose to important political dimensions. The Party was defi-

* This article was received in the Editorial office in December, 1945. The first post-Fascist general election was held in Italy in June, 1946.

nately religious in its aim to secure the application of religious principles to political life. Its leaders apparently sensed the potentialities in the women's vote for, although they were in general opposed to any extension of women's rights such as those demanded by the feminist movements (office-holding; property control; and marriage, legacy and wage equality), the Christian Democrats' platform advocated the extension of the suffrage to Italian women.¹

After that time, the question of female suffrage was occasionally encountered in Chamber of Deputies' debates. In 1925 Mussolini made a half facetious speech on the subject of "The Women and the Vote," chiding the deputies who opposed giving women the franchise. "Some people think that the extension of the vote to women will provoke a catastrophe. I deny it. . . . Nothing will be changed in the family environment, for one very simple reason. Do not believe that tomorrow a woman's life will be dominated by this event. The life of a woman is always dominated by love either for her children or for a man. If a woman loves her husband, she votes for him and his party; if she does not love him, she has already voted against him."²

After this debate the Chamber passed a law including a "concession" to women's suffrage which was actually enacted into a provision on 22 November 1925. Female voting rights, however, were extended only to municipal and provincial elections. Only those women could vote who were decorated with the war medal (50 women) or with the civic medal (200), who were mothers and widows of soldiers who died in the War, women with certificates of the elementary school (500,000), women who knew how to read and write and paid 40 lire direct tax (about 2,300,000), and women who paid tax on immovable property (1,170,000).³ Women's suffrage for even these "administrative" elections was almost immediately invalidated by the Fascist substitution of appointive for elective local government institutions in January, 1926.⁴

¹ Don Luigi Sturzo, *Italy and Fascismo* (1926), 97, 294.

² Benito Mussolini, "La Donna e il Voto," in a speech of 15 May 1925, *Scritti e Discorsi*, Vol. V.

³ Henry Russell Spencer, *Government and Politics of Italy*, (1932), 210, fn. 3.

⁴ *Ibid.*, 215.

The Italian coalition cabinet, however, at its initial meeting in Salerno on the 27th of April 1944 promised an electoral law providing for universal suffrage. It was semi-officially explained at the same time that "universal suffrage" meant that, contrary to Italian tradition, women would also participate in the election to be held after the cessation of hostilities.⁵

The effect of women's participation in the first post-war election in Italy should be pronounced. In the majority of European countries where women's suffrage has been introduced, statistical study has conclusively shown that feminine voters have favored above all political parties based on the church or religion, and secondly, nationalistic, conservative or monarchical parties. In general, the contribution of women to the support of political parties became progressively less from parties of the right to parties of the left.⁶ Since Italian women generally are known to be strong supporters of the Catholic Church, it may be expected that the granting of suffrage to them will also result in a relatively large female adherence to a religious organization, such as the Christian Democrat Party. If a special referendum on the issue of the monarchy is held at the same time as the elections, it is also likely that women will vote considerably more than men for its preservation. In addition, women's suffrage will probably augment the ballot tally for the other rightist and centrist parties.

The religious-conservative tendency of the female vote will in

⁵ *New York Times*, 28 April 1944.

⁶ Herbert Tingsten, *Political Behavior: Studies in Election Statistics* (1937), Chap. I, 10-78.

For example, in the Reichstag elections from 1924 to 1930 German women gave their votes to the two Catholic parties (the Center and the Bavarian People's Party) to an extent exceeding that of the men by more than 50 percent. The Christian-social People's Party which appeared in the election of 1930 and strongly represented Protestant Church interest, obtained over twice as much support from the women as from the men. The German National Party with its clearly national, conservative and monarchical outlook and its strong attachment to the Protestant Church received the strongest support among women voters next to the parties with a primarily religious orientation. The moderate-conservative German People's Party also obtained a considerable surplus of female votes. Passing toward the left with the Democratic Party and the Social-Democratic Party, the voting records begin to show the accentuation of the masculine vote until the Communist Party is reached with the highest male preponderance.

all likelihood be most pronounced in the initial election. Women have shown particularly low participation at the elections in which they were first enfranchised.⁷ Those who have the inclination to vote (namely, middle class, upper class, unmarried, and professionally and semi-professionally employed women) appear at the polls, while those who have not (the relatively uneducated, lower class, and wage-earning women) remain away.⁸ In later elections the greater effectiveness of party machines may bring out the lower strata of the Italian female vote which has been untouched politically and give a more proportionate weighting to the results.⁹

Another reason for a probable accentuation of the religious-conservative tendency of the female vote in the opening election is that when party machines are better organized to bring out the vote of the rank-and-file women, the patriarchal family system in Italian lower class families will skew the female vote in the direction of the husbands' or fathers' votes. At the present time, the war and occupational dislocations have broken down patriarchal controls somewhat by placing many women in working positions of diverse natures. With the return of women to a more settled home life, family controls may reassert themselves.

By the same reasoning it can be stated that the longer the interval between the end of hostilities and the election, the more disciplined and organized will be the leftist parties which count on mass support (such as the Socialists and Communists) and

⁷ Tingsten, *op. cit.*, 28.

⁸ Many women are still strongly prejudiced against voting, even in the United States where they have been a part of the electorate for some 25 years. Cf. Paul F. Lazarsfeld, Bernard Berelson, and H. Gaudet, *The People's Choice: How the Voter Makes Up His Mind in a Presidential Campaign* (1944), 48-49.

⁹ Cf. Harold F. Gosnell, *Why Europe Votes* (1930), 178-179.

In the 1944 election in the United States, however, the well-organized Political Action Committee of the CIO failed appreciably to bring out the female vote. The highest percentage of non-voters was again found among the low-income, low education housewives, many of them the wives of union members. Cf. Bernard Berelson and Paul F. Lazarsfeld, "Women: A Major Problem for the PAC," *Public Opinion Quarterly*, Spring, 1945, 79-82. In Italy the food shortage, if it remains severe, may act for housewives as an incentive to go to the polls. Such a tendency, although not sufficiently substantiated, seemed observable in the first elections in France after this war.

the greater their chance of offsetting the religious-conservative tendency of the women's vote.

Non-Voting

The Italian government has a choice of ignoring or attempting to solve the historical problem of heavy voting absention in Italy. The average toll of non-voters in Italian national elections was 42 percent of the enfranchised population.¹⁰

One factor which has contributed to this condition—deep-rooted, popular distrust of electoral procedures—may be somewhat alleviated in the first election by an extraordinarily wide interest in the outcome. This political apathy may be also considerably affected by the type of representative system the government adopts.¹¹ Another contributing factor to non-voting—an illiteracy percentage of nearly one-quarter of the population—can only be overcome by long-run educational measures, and the non-elected government cannot be held accountable for failure on this score.

Outside of some minor additional measures, such as establishing convenient polling times and places, the government has only one method available by which it can greatly reduce non-voting, and that is *obligatory voting*.¹² The introduction of obligatory voting everywhere has been accompanied by a remarkable rise in electoral participation. Even in countries where the penalties for non-voting are very small and where the law and practice accept a wide variety of excuses for non-voting, the growth of balloting has been notable. In other words, the system of obligatory voting does succeed in

¹⁰ Cf. fn. 23 of this article.

¹¹ This possibility of ameliorating non-voting is discussed under the section on competing representative systems.

¹² Obligatory (or compulsory) voting refers to the system of balloting whereby the citizen's duty to take part in elections is established by law. To be effective in practice the law should provide for certain penalties for voting abstention. Obligatory voting has been employed in Austria, Hungary, Rumania, Bulgaria, Czechoslovakia, Luxembourg, Lichtenstein, Switzerland, Holland, Belgium and Australia..

bringing out a considerable proportion of the eligible voters who would otherwise not come to the polls.¹³

While obligatory voting has never been the law in Italy, the Italian political arena has seen the uses of compulsory non-voting. In 1883 and 1895 the Papacy, in the decrees of *non expedit* (it is not expedient) and *non licet* (it is not permitted), prohibited Catholics from voting for members of the parliament. Since 1905, the Church has allowed its communicants to vote only where such participation is regarded as necessary for the salvation of society. It is obvious that in such a situation the passage of a law by the government proclaiming obligatory voting would have brought the conflict of the Church and State to a test.

There can be little doubt that if the Italian government used the obligatory voting system in its first election, the resultantly high electoral participation would compensate for the early weakness of the party organizations in getting out the mass vote and thus considerably offset the religious and conservative effects of women's suffrage. Analysis of European electoral experience has demonstrated that as a rule interest in voting increased with a rising social or occupational status. The bulk of non-voters fall in the lower income, educational and occupational categories and the younger aged voting groups. Because obligatory voting brings these voters to the polls, it has been accompanied generally by a rise in strength of the so-called proletarian or radical parties.¹⁴

Furthermore, compulsory voting would bring to the polls those Italian women in the lower income strata who would not vote under ordinary incentives. The system has proved particularly effective with women.¹⁵

¹³ In the Austrian provinces with compulsory voting, for example, participation in elections was 20 to 25 percent higher than in the other provinces; in Bulgaria the elections following the inauguration of obligatory voting brought approximately a fourth more of the eligible voters to the polls. Tingsten, *op. cit.*, 199-203.

¹⁴ Tingsten, Chap. III, 120-181; cf. also C. E. Merriam and H. F. Gosnell, *Non-Voting: Causes and Methods of Control* (1924), and B. A. Arneson, "Non-Voting in a Typical Ohio Community," *American Political Science Review*, XIX, 816-825.

¹⁵ For instance, before compulsory voting was legislated in Australia, women's participation was about 10 percent below that of the males; afterwards it became practically equal. Tingsten, *op. cit.*, 204. In Austria, men's participation was increased by 4.4 percent, women's by 10 percent. *Ibid.*, 201.

Whether or not an obligatory voting system could or would be initiated by the present Italian government is another question. The obstacles to its acceptance include not only those interests which might feel threatened by it but also the fact that it has never been brought to the focus of attention of Italian citizens as an issue for decision. The Papal proclamations against voting and the Fascist disparagement of all democratic mechanisms differentiated Italy from other countries who after the first World War enthusiastically discussed and adopted all types of electoral reforms. Vatican opposition to an obligatory voting provision, however, would undoubtedly be less now than it would have been during the first quarter of the twentieth century when the *modus vivendi* of a separate sphere for Church and for State was believed to be seriously threatened.¹⁶

Voting Qualifications

Of the varied requirements for voting in European countries only two need to be considered in relation to Italy—literacy and age. Property-holding or tax-paying qualifications for the parliamentary franchise were for practical purposes abolished in 1882¹⁷ and residence requirements are hardly likely to be imposed after a war which involved extensive migrations on the part of persons in all strata.

After the abolition of the property qualifications in Italy in 1882, literacy was made an alternative requirement. In 1912 even illiterates could vote after they attained the age of thirty. Data on the number of illiterates in Italy at the present time is still un-

¹⁶ In considering the possibilities of legislating the obligatory voting system, it may be noted that the Belgian government passed compulsory voting against the religious objections of the Calvinist Anti-revolutionary Party which condemned women's voting on religious principles. In this case, however, the Conservative Party backed the proposed law hoping to balance the high electoral participation of the politically-minded Trade Unionists.

¹⁷ In the Fascist "election" of 1929, however, there was a re-imposition of monetary qualifications. A male Italian citizen could vote only if he satisfied one of the following conditions: (1) liability to payment of dues to a Fascist trade union or syndicate, (2) payment of 100 lire direct taxes or receipt of an income of 500 lire from government bonds, (3) receipt of an official salary from the state or its local agencies, (4) membership in the clergy. Cf. Spencer, *op. cit.*, 177-178.

available, but in 1931 official statistics revealed that nearly one-fifth (19.8 percent) of the population between 15 and 64 years of age, slightly over five million persons, were unable to read or write. The participation or non-participation of this body of voters will undoubtedly have an appreciable effect on the results of the promised election.

There is unfortunately little evidence concerning the political attitudes of illiterate voters. It may be assumed, however, that they would vote similarly to those voters in the lower education brackets. If this premise is granted, the elimination of the literacy requirement in the Italian election would operate to bolster the peasant and proletarian parties which in the case of present day Italy are the Christian Democratic, the Socialist and the Communist Parties.¹⁸

In 1919 the suffrage was granted to all male Italian citizens of twenty-one. One interesting feature of this enlargement of the electorate was that men even younger were given the right to vote if they had rendered military service.¹⁹ If the same arrangement is made for the forthcoming Italian election, it would involve the inclusion of a sizeable proportion of male voters from 18 to 21 years of age who have rendered military service. This body of youthful voters would swell the ranks of the center and especially the left of center political organizations. If an attempt were made to lower the age requirements for Italians in general, it might meet with opposition from the quarters which share a fear of youth's political extremism, for whenever voting statistics have been broken down by age categories it has generally been found that the younger age groups tend to vote for the extremist par-

¹⁸ Cf. Tingsten, *op. cit.*, Chap. III; also, cf. Merriam and Gosnell, *loc. cit.* and Arneson *loc. cit.*, See pp. 28-29 for the advantage of literacy in the "writing-in" provision of the Italian proportional representation system.

¹⁹ The Anglo-Saxon countries have common voting age requirements of 21 years. Norway and Sweden have a joint limit of 23 years of age, while the Soviet Union's qualification is 18 years.

ties.²⁰ Thus, any lowering of the age limit for voting is likely to contribute considerably more voters to parties of the left than to parties of the right.

However, since there is the definite and relatively recent precedent in Italy for permitting soldiers under 21 to vote,²¹ the regranting of the franchise is within the realm of possibility. Pressure for the lowering of the age limits might be exerted by the political groups which evolve from the resistance groups of Northern Italy. These groups which undoubtedly contain a substantial number of youthful members may claim that an extension of the suffrage to their young men would be a deserving national recognition of the political maturity of those who, even under 21, fought for their country.

Two other groups which may affect the participation of youth in the first Italian election are prisoners of war and Italian workers in Germany. Since their numbers of approximately a million and a half contain a considerable proportion of the younger male electorate, the presence or absence of their votes will make itself felt in the outcome. Their participation depends on how soon after the war the first general election is held. On this question, however, Marshal Bodoglio has stated that the King and the Government in determining to respect the decision of "the Italian people" meant "also Italians who are prisoners in many parts of the world."²²

²⁰ Thus, for example, in the official statistics of Sweden's town council elections from 1919 to 1935 it was found that an average of 50 percent more of the group under 27 years of age voted for the Conservative Party. In the intermediary parties (Liberal, People's Party) the older age group also predominated but with variations in degree. The Social-Democrats on the whole, however, had a greater percentage of younger (under 27 years of age) than older voters, while the parties to the left were decidedly youthful parties. In the latter (the Socialists and the Communists) the younger group were throughout the period two to three times the percentage in the older age group. Tingsten, *op. cit.* 107-113.

²¹ There is an even more recent Fascist precedent. In the 1929 "election" males under 21 could vote if they were married and in addition satisfied certain conditions. *Vide fn. 17* of this report.

²² *New York Times*, 25 February 1944.

Conclusion

In summation it can be said that women's suffrage, if granted in Italy, may prove to be in the first general election a religious-conservative force. If a system of obligatory voting were introduced in the initial election, it would in itself offset the tendency of women's suffrage by bringing to the polls the majority of the non-voters who amounted to nearly a half of the electorate in pre-Fascist days. Liberalizing of the literacy qualifications and lowering of the age qualifications for voting, while not so powerful factors as compulsory voting, would also materially fortify the parties of the center and left. A lengthy interval between the cessation of hostilities and the first election would probably benefit the mass parties in several ways. The religious-conservative tendency of the women's vote would be reduced because of the greater efficiency of party machines and the return of women to the home. Furthermore, the participation in the election of the vast number of Italian young men who have been prisoners of war or foreign workers will increase as the interval lengthens.

The Representative System

The non-elected Italian government will find it necessary not only to set the rules for the electorate's composition but also to decide upon a system of parliamentary representation. In Italy there has been no traditional form of representation to help determine which system should be used. From 1848 to 1882, elections in what is now Italy used the "single-member district" system of representation. After 1882 and until 1891 a "general ticket" or "bloc vote" system was employed. In 1891 the single-member district method was restored, but in 1919 it was changed to a list system with the D'Hondt principle of apportionment. Finally in 1923, the Fascists pushed through Parliament an unproportional representative system framed by Acerbo and based on a 'remainder-list' method. After the "election" of 1924, this system, too, was abandoned along with the republican form of government.

In addition to the lack of a single well-rooted representative system, Italy has lost the continuity of representative elections. In 1929 and 1934, the Chamber of Deputies was not chosen by

regional elections but by nation-wide plebiscites, and in 1939 this body was abolished for the inauguration of the Chamber of Fasces and Corporations. Thus it is not possible to pick up the thread of a pre-war system of representation, as in France for example. No recent precedent for a representative election is available in Italy. There are two systems, however, which have a greater likelihood of being adopted by the Italian government than any of the many other representative schemes. These systems are the single-member district system and the list system with D'Hondt apportionment.

The single member district or the majority system has the advantage of being the traditional system of the United States and Great Britain. In the choice of a representative method for Italy, much depends on the prestige level of these two countries in Italy after the war. If the beginning of an era of Anglo-American good feeling appears and if the Italian government is dominated by pro-Allied figures, the tendency to accept without much debate the electoral devices of these two democracies will be great.

The list system utilizing the D'Hondt principle of apportionment of chamber seats, the plan adopted by Italy in 1919, stands a good chance of being re-adopted by virtue of its being the last pre-Fascist major electoral legislation. The system at the time had the united backing of the two great mass parties, the Populists and the Socialists, whose present-day counterparts may again support it. The plan, as a form of proportional representation, has in addition the reputation of being a more enlightened scheme since its rationale is the securing of minority representation with more or less mathematical precision.

In comparing the political effects of the single-member district system and the list system with D'Hondt apportionment, it is necessary to go into a detailed description of the working of each plan in Italy.

(a) The Single-Member District System in Italy

Under the majority system the Italian governmental area was divided into small legally established districts (*circondari*). The one representative from each constituency was the person who

received the largest number of votes in his district. At the close of the World War there were 508 such representatives from Italian districts establishing a rough equivalent of one Deputy to every 70,000 of the population.

The general properties of the single-member district system are familiar: It simply and cheaply provides local representation for the majority party of any given region; it helps make voting frauds profitable in closely contested areas; it slackens voting interest in regions where the majority is obviously predominant; it presents the opportunity for "gerrymandering"; it only by chance results in a legislative body with a political composition reflecting the numerical votes polled by each party throughout the national area.

In Italy the single-member district plan had typical results, except for the "gerrymander" which was somehow never exploited by Italian politicians. Voting fraud was rampant and ran the gamut from political favors to physical intimidation. It was reportedly greater in Italy than in most other European states.²³

Voting interest under the single-member district system was extremely low.²⁴ The average absention from the polls for the general elections under the majority system—42 percent of the eligible voters—appears exceptionally high when it is considered that in most of these elections the suffrage was not universal but restricted.

The placing of local and personal interests above national considerations, a phenomenon facilitated by small district representation, was a common complaint in Italy generally encountered in the word '*campanilismo*,' which symbolized parochial interests through the name of the parish church tower. This provincialism was almost inherent in a new nation fabricated from formerly distinct historical regions. In addition, there was in effect no legislation or tradition holding that a deputy could not be elected to represent

²³ Cf. Arnold J. Zurcher, "The Government and Politics of Italy," in *Governments of Continental Europe*, ed. by James T. Shotwell (1940), 580, 599; Spencer, *op. cit.*, 26-29, 161; Gaetano Salvemini, *Il Ministro della Mala Vita* (1919).

²⁴ Cf. Herman Finer, *Mussolini's Italy* (1935), 65-67; H. R. Spencer, *op. cit.*, 160-161. For voting participation of other European countries cf. H. F. Gosnell, *Why Europe Votes*, (1930).

a region other than his native or residential one. Nevertheless, many representatives were regarded by constituents "as their mere agent, sent to Rome by his neighbors to procure financial and administrative favors for the local community at the nation's expense, to say nothing of patronage-mongering and other services still less dignified and reputable."²⁵

(b) Proportional Representation in Italy

The list system of proportional representation legislated in Italy in 1919 provided for 54 districts, each electing a list of representatives that ranged from 5 to 28. Each party in the district had a list with an identifying symbol, such as the hammer and sickle of the Official Socialists.

The voter could, if he wished, write the names of his preferred candidates on his ballot. In the event that the number of votes polled for a given party was insufficient to elect its entire list, the selection for office among the party candidates was made according to the number of written preferences on the ballots. The number of written preferences a voter could assign varied according to the number elected in the district, but never exceeded four.²⁶

Once the votes were counted the distribution of Chamber seats according to the results of the tally began. The D'Hondt principle of apportionment used in the Italian representative system specified that the total vote of each list was to be divided in order by the integers, 1, 2, 3, etc., until the seats to be assigned were ex-

²⁵ H. R. Spencer, *op. cit.*, 159-160; also see pp. 23, 26 and A. J. Zurcher, *op. cit.*, 576-577.

²⁶ This provision is technically called the "limited vote within the list." In addition the Italian electoral law of 1919 included the right of "panachage," i. e., voting for candidates on more than one party list. The complicating features of the latter provision never came into being, however, because relatively few Italian voters exercised their right of voting for candidates of other parties. Cf. Clarence Gilbert Hoag and George Hervey Hallett, *Proportional Representation* (1926), 442-43. The devices of the limited vote within the list and panachage both serve to weaken the complaint against list systems of proportional representation, that the voter is allowed no choice of individual candidates.

hausted. The party lists with the largest quotients received the available seats.²⁷

The characteristic political effects of the system of proportional representation used in the Italian general elections of 1919 and 1921 are the following:

- (1) Localism in representation is diminished;
- (2) Party issues assume precedence over personal followings;
- (3) Voting fraud and gerrymandering become less profitable;
- (4) Voting interest, although it may decline in the first trials of proportional representation, increases;
- (5) The possibilities of sweeping changes in the party composition of the Chamber are diminished;
- (6) Literate voters determine the choice of the individual candidates;

(7) Large parties possess a slight advantage in the receipt of seats;

(8) The voting strength of the various parties (both majority and minority) within the electoral area is reproduced in parliament with mathematical accuracy.

Localism

In 1919 and 1921, Italy was divided respectively into 54 and 40 comparatively large electoral regions instead of the 508 small constituencies of the single-member district system. With large areas of this type, *campanilismo* is difficult. Even Luigi Villari, the Fascist historian, admitted that in practice proportional representa-

²⁷ To take a hypothetical example: If the Blue Party received 120,000 votes, the Action Party 90,000 votes, the Socialists, 90,000 and the Christian Democrats 28,000 in an electoral college returning 9 Deputies to the Italian Parliament, the quotients would evolve in the following fashion:

PARTY VOTE

Integer Divisor	Blue Party	Action Party	Socialist	Chr.-Dem.
1	120,000 (1st seat)	90,000 (2nd)	49,000 (4th)	28,000 (9th)
2	60,000 (3rd seat)	45,000 (5th)	24,500	14,000
3	40,000 (6th seat)	30,000 (7th)	16,333 $\frac{1}{3}$	9,333 $\frac{1}{3}$
4	30,000 (8th seat)	22,500	12,250	7,000

Thus, the Blue Party would be apportioned 4 seats, the Action Party 3, the Socialists and the Christian-Democrats one apiece.

tion which "was supposed to make the deputy less of a slave to local interest and more truly representative of the nation" proved in practice to be "not wholly illusory."²⁸

If sectionalism was mitigated by the 1919 electoral law, the possibility of regionalism still existed, however, for many of the new enlarged constituencies, like Roma, Bari, Bologna, Catania, Genova, Napoli, Milano, Torino and Venezia, were approximately coterminous with historical, cultural and linguistic boundaries. Of the 54 colleges of 1919, 42 contained one province alone, 10 contained two provinces, 1 three and 1 other four provinces.²⁹ But even this remaining regionalism was considerably moderated by the factor of the increasing importance of national party issues under proportional representation.

Issues vs. Men

Under the list system each party or united group in the district nominates a list of candidates. Thus each aspirant for office presumably runs under the aegis of and is pledged to the party platform. This procedure results in a focusing of the public's attention on party issues rather than on individual men.

In Italy where previously candidates were elected primarily on personal or local grounds, the introduction of the list system brought about radical changes in vote-getting techniques and parliamentary groups. Italy had not seen parties organized on a nation-wide scale. Only the Socialists had a structure which approximated a national party and their main strength was confined to Northern and Central Italy. The other groups were "more localised, or appeared here and there, rather as scattered fragments than as a connected net-work. There were Constitutional Liberals, including all shades of opinion from extreme conservatism to Asquithian

²⁸ *The Awakening of Italy* (1924), 73.

²⁹ It should be remembered that it may be considered desirable to maintain some degree of regional representation. If the eradication of all regionalism is desired, deputies could be elected from Italy at large. This resolution, however, would lengthen the ballot to an impossible extent since all the nation's candidates would have to be included. A more practical solution would be the division of Italy into districts especially designed to cut across historical lines. This remedy would also have many difficulties but chiefly of an administrative nature.

Liberalism; Catholics; Republicans; Reformist Socialists; Official Socialists; Independent Socialists. They were again divided into groups following names like Sonnino, Salandra, Giolitti, Nitti and into ministerial Constitutionalists, opposition Constitutionalists, and independent Constitutionalists."³⁰

With the advent of proportional representation, "elections assumed the aspect of a really genuine political consultation of the country. Previously except in the great cities, they were simply small detached local conflicts, destitute of all significance whether of ideals or of programmes, or else they were merely personal contests, unedifying and bitter. Today, parties, even those most opposed to being organized, have been given a national organization."³¹ Under the majority system, governments "often were formed not from an agreement of the parties based on their respective programs, but from an agreement of parliamentarians prompted or strongly influenced by personal criteria. Under the proportional system, and with party discipline, personalities if they do not disappear are relegated to second place."³²

Voting Fraud

In the system of proportional representation used in Italy in the 1919 and 1921 elections, voting frauds and gerrymandering should have decreased considerably (although there is no available information on the subject). Under the single-member district system by obtaining a relatively few votes it is easily possible to swing the election in a closely contested constituency. The difficulty of such an enterprise was tremendously increased in Italy under the proportional system, where to secure one more seat than a party would otherwise receive, the corruption of thousands of voters or ballots would have been necessary. Similarly gerrymandering which involves the manipulation of constituency boundaries

³⁰ Finer, *op. cit.*, 77-78; also *vide* Ufficio Centrale di Statistica, *Statistica delle Elezioni, Generali Politiche per la XXV legislatura*, Roma, 1920, p. LI; and Gaspare Ambrosini, *Partiti Politici e Gruppi Parlamentari dopo la proporzionale*, Voce: Firenze, 1921, pp. 15-17.

³¹ Excerpt from a petition to Parliament by the Italian Association for Proportional Representation, quoted in John H. Humphreys, "Italy", *Representation*, London, Vol. 12-13, nos. 40-41, 1922-23, p. 10.

³² Ambrosini, *op. cit.* 60.

for the maximum benefit of the administration in power is discouraged and for practical purposes rendered impossible. No matter where the 54 or 40 boundary lines could be drawn in Italy, the composition of the Parliament would be approximately proportional to the national strength of the political parties.

Voting Interest

The charge made by opponents of proportional representation that it is difficult for the average voter to understand seems at first to be borne out by the participation figures of the 1919 election. (Participation figures can be used as an index of voting complexity on the assumption that if many voters feel they do not understand the voting or tallying procedure, an appreciable share of them will abstain from the polls.) In the 1913 election, voting participation was 60.5 percent of those who had the right to vote at the time of the election; in 1919 it dropped to 56.6 percent.³³ The disparity becomes less attributable to the system of representation, however, when it is noted that in the preceding year of 1918, the suffrage was made universal (save for women). After the enlargement of the suffrage in 1912, voting participation in Italy dropped off 5 percent under the single-member district system.³⁴

Another and perhaps better indication of the practical understandability of a voting method is the percentage of ballots declared null and void. In the 1913 election under the majority system there was an invalid ballot percentage of 1.7 percent;³⁵ in 1919 under proportional representation there was a percentage of 1.9 percent.³⁶ The difference was hardly significant. In the second proportional representation election the percentage of invalidly expressed ballots went below the single-member district figure to 1.4 percent.³⁷

³³ Cf. Ufficio Centrale di Statistica, *Statistica . . . per la XXV legislatura*, XXXV.

³⁴ Cf. *Ibid.*, xxxplii; also cf. Vladimir S. Woytinsky, *Die Welt in Zahlen*, Rudolf Mosse Buchverlag: Berlin, 198, p. 55.

³⁵ Cf. Ufficio Centrale di Statistica, *Statistica delle Elezioni Generali Politiche alla XXIV legislatura*, Roma, 1914, xxiii.

³⁶ Cf. Ufficio Centrale di Statistica, *Statistica . . . per la XXV legislatura*, xl.

³⁷ *Statistica delle Elezioni Generali Politiche per la XXVI legislatura*, Roma: Grafia, 1924, xxx.

Advocates of proportional representation generally concede that in its first trials, the system may prove more difficult to grasp than the majority procedure. They claim, however, that later trials on the contrary increase voting interest, not only because of the voter's increased familiarity with voting procedures but because the voter can be almost certain his vote helped elect a candidate of his choosing. Under the majority system of representation, in each district all the ballots not cast for the victor have no effect on the final result. If in a hypothetical constituency, Candidate or List A receives 18,000 votes, B 16,500 and C 5,050, 21,500 votes obtain no representation. This element of "wasted votes" is particularly a deterrent to voting participation in those areas where one candidate or one party seems certain to be the victor. Under proportional representation, however, the voters of Candidate or Lists B and C also see candidates for whom they voted take office.

The Italian electoral experience very clearly demonstrates this difference:³⁸

Election of	Percentage of Votes that Obtained No Actual Representation
1892	32.7
1895	32.2
1897	32.8
1900	31.6
1904	35.4
1909	36.2
1913	38.5
1919	6.3
1921	4.5

The first election in which proportional representation was used was 1919. In the second and last Italian election held under the proportional system, 1921, voting participation rose to 58.4 per cent.³⁹

³⁸ *Ibid.*, xxxi.

³⁹ Cf. Woytinsky, *op. cit.*, 55.

Parliamentary Continuity

Under the single-member district system a relatively small number of votes can eventuate in a political landslide bringing many political newcomers to the legislature and removing many of the previous members. "A five percent change in the vote of a dozen districts may make a twenty or thirty percent change in their representation."⁴⁰ Under proportional representation a five percent change in the vote could only result in a change in about 5 percent of the seats in parliament. Consequently there is less likely to be unexpected shifts in the political composition of the representative body.

Proportional representation in Italy, however, was not in existence long enough to demonstrate the operation of this tendency. As might have been expected, the first election under proportional representation practically renovated the 25th Legislature. Nearly two-thirds (65.3%) of the members had never before been elected to the Chamber. In the second election the percentage dropped 38.3 percent to slightly above the average of the other general elections since 1892, namely 34.1 percent.⁴¹

The Influence of Literacy

Under the Italian electoral law of 1919, the names of candidates appeared in a list on the ballot and by voting for the party symbol the voter cast his vote for everyone on the list. If the voter wished to vote for individual candidates as well as for a party list, it was necessary for him to write their names on dotted lines provided for the purpose. In an electoral college where 5 deputies were to be elected, the voter could add one name of his own choice be it within or outside of his party ticket; in a college electing 6 to 10 deputies, the voter could add 2 personal preferences; in one electing 11 to 15, three names could be added; and over 15 deputies, four names could be inscribed.

When any party list did not receive a sufficient number of votes to elect all its candidates, the choice among the candidates was

⁴⁰ Hoag and Hallett, *op cit.*, 29-30; also *vide* 96-7.

⁴¹ Cf. *Statistica . . . per la XXVI legislatura*, xxxiv-xxxvi.

made according to the number of preferences each had obtained.⁴² This situation arose quite frequently. For example, the Socialists in 1919 presented 477 candidates in lists throughout the country and of these only 156 were selected; the Populists offered the voters 404 names and 100 were chosen; the Liberals presented 225 candidates and elected 41.⁴³ The writing-in provision thus became extremely important, since in every case where the list received insufficient votes the *choice of particular candidates was conferred on the literate voters*. In the election of 1919, for every 100 ballots cast there were 145 names of individual preference inscribed.⁴⁴

Mass Parties and the Apportionment of Seats

It has been said of proportional representation in general that it tends to fractionalize the party system of a country by giving representation to every minority and, thus, helps create a multi-party government with no majority in parliament. This highly controversial point certainly has less foundation when specifically applied to the method of representation used in Italy in the 1919-1921 general elections, i. e., the list system with D'Hondt apportionment. Wherever the D'Hondt principle has been employed—in Belgium, Sweden, Denmark, Norway and Switzerland—it has given a slight advantage to the large parties and therefore has a tendency to consolidate the smaller into larger parties.⁴⁵

Italy proved to be no exception. The Socialists in 1919, one of the two largest and most efficiently organized parties, illustrate the seating advantage that accrues to mass parties under this system. In the college of Alessandria the Official Socialist Party polled 44 percent of the votes and received 46 percent of the Chamber seats; in Bologna, 68 percent of the votes and 87 percent of the seats; in Cremona, 45 percent of the votes and 60 percent of the seats; in Firenze, 52 percent of the votes and 57 percent of the seats; in Mantova, 57 percent of the votes and 67 percent of the seats; in

⁴² Cf. Ufficio Centrale di Statistica, *Statistica . . . per la XXV legislatura*, xliii-xlv.

⁴³ Cf. *Ibid.*, lli-lili.

⁴⁴ Cf. *Ibid.*, xlii-xlv.

⁴⁵ Cf. H. F. Gosnell, "Proportional Representation" in the *Encyclopedia of the Social Sciences*, Vol. VI, 541-544; cf. also, Hoag and Hallett, *op. cit.*, 423.

Novara, 63 percent of the votes and $66\frac{2}{3}$ percent of the seats; in Torino, 52 percent of the votes and 57 percent of the seats.⁴⁶

The consolidating effect of the method lies in the fact that once the apportionment of seats is finished, remainders always exist. Very often the combination of the remainders of two parties can easily win an extra seat in an electoral region.⁴⁷

The consolidating effect of the Italian experience with proportional representation was summarized in this fashion: "During the long regime of the single-member system and during the first proportional representation election, the Liberals and Democrats were broken up into numerous groups. At the second proportional representation election these groups in many places constituted a government 'bloc.' The votes given for them are summarized in an analysis given in the Report of the Italian Parliamentary Committee under the title of 'blocco.' It is not contended that this consolidation was as yet national in scope, but a detailed examination of the electoral statistics of the two general elections of 1919 and 1921 illustrates very clearly the tendency of proportional representation to promote combined action at the elections among those who had views in common. In 1919, in Milan there were seven party lists including two Independents; in 1921 there were four, including the Communists who had not nominated a separate list

⁴⁶ Computed from the absolute figures given in "Risultati Ufficiali Delle Elezioni per la XXV Legislatura", *L'Illustrazione Italiana*, 16 November 1919, incorporated as an appendix to the *Statistica . . . per la XXV Legislatura*, *op. cit.*

⁴⁷ Thus, if in the hypothetical example given above in fn. 27 the Socialists had decided to throw in their lot with the Blue Party, together they would have obtained an extra seat. The Christian-Democrats would have been left without any seats and the Action Party would have remained stationary. The quotients would result as follows:

Integer Divisor	Party Vote		
	Blue-Socialists	Action Party	Christ.-Dem.
1	169,000 (1st seat)	90,000 (2nd seat)	28,000
2	84,500 (3rd seat)	45,000 (5th seat)	14,000
3	56,333 $\frac{1}{3}$ (4th)	30,000 (8th seat)	9,333 $\frac{1}{3}$
4	42,250 (6th seat)	22,500	7,000
5	33,800 (7th seat)	18,000	5,600
6	28,166 $\frac{2}{3}$ (9th)	15,000	4,666 $\frac{2}{3}$

Under the simple quota and remainder assignment system, the tendency is toward the fractionalization rather than the consolidation of parties. Cf. Hoag and Hallett, *op. cit.*, 423-424.

in 1919. In Turin, seven lists were also reduced to four. In Naples, in 1919, there were twelve lists including two Independents; in 1921 these lists were reduced to seven. In Alessandria there were six lists in 1919, and in 1921 only four. The tendency was not universal, nor did these consolidations in the constituencies always hold together in the Chamber; the organization into parties was incomplete; but initial processes were undoubtedly at work."⁴⁸ Unfortunately, because of the atomic character of Italian political party life under the single-member district system, it is not possible to state numerically how many parties, groups or blocs dropped out of the electoral scene or merged with other parties.⁴⁹ Had the proportional system remained in effect for several more elections, its consolidating and centralizing effect on the national political life might have been inescapable.

Proportional Results

The conclusion of the official electoral study made by the Director of the Italian Office of Statistics after the first trial of proportional representation states: "On the whole it can be said that, except in a few cases and for small differences, the system of proportional representation has functioned according to the intention of the Legislature and has secured an equitable representation to the diverse parties that received a congruent number of votes."⁵⁰

Since it is quite apparent from the arithmetical method of the Italian representative system, as described, that the results ought to correctly reflect the voting strength of all parties, majority or minority, it may suffice to note that no party's representation in the Chamber of Deputies deviated by more than 1.7 percent from the percentage of total votes it obtained.⁵¹

⁴⁸ Humphreys, *loc. cit.*, 9-10. Although Humphreys speaks of this consolidating tendency as characteristic of proportional representation systems in general, as pointed out previously (fn. 47), it is specifically the D'Hondt variety which has had such results.

⁴⁹ Humphreys, *loc. cit.*, 7-9, made an attempt to calculate the decrease in parties but the criteria used for combining the various political groups can be disputed.

⁵⁰ Ufficio Centrale di Statistica, *Statistica . . . per la XXV legislatura*, xliii.

⁵¹ *Ibid.*, cf. pp. lvi and lix.

The Place of Geography in Post-war General Education

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Nothing has brought to light more clearly the great lack of geography training and the great need for geography thinking in the world today than the war. The emphasis placed on geography by the various training programs of the Army, such as the Air Corps, Army Specialized Training Program, and the Army Specialized Training Reserve Program has helped greatly in understanding the natural conditions of places in various locations of the world. Servicemen going to strange places wanted to know and had to know more about these places.

Civilians following servicemen became interested in various places all over the world and became hungry for geographical information. Also world wide geographical information and interpretation are necessary for developing a better international understanding.

Geography is a study of the influence on man of geographic factors such as (a) location, (b) climate and weather, (c) surface features of the land, (d) natural resources, (e) waterways. These geographic factors were of tremendous importance during the war and are also of vital significance in peace time commerce, agriculture, and industry, since modern transportation and communication have brought all nations in closer contact.

(1) *Location.* Location means the marking out of the boundaries, or identifying the place or site of a piece of land, according to the description given in an entry, plan, map or chart. Generally speaking it refers to such special factors as place, position, shape, area, distance, direction, accessibility, proximity, remoteness or isolation, and has meaning only when defined in relation to something else.

The value of farm land and other property is enhanced or limited because of location. For example two farms, one on a good concrete highway and the other on a poor dirt road and precisely

the same otherwise, will be quite different in sale value and income value. The farmer on the concrete road can market his produce, particularly eggs, milk, cream, and vegetables at any time regardless of weather, while the other must wait for good weather or bear the expense of slow transportation to market or the cost due to getting his produce to the market at the wrong time.

The following are other examples of the influence of location:

- (a) The Norsemen were seafaring people because of their location on a fjord coast with open waters the year around abundant with fish and a poor hinterland ill-suited for the development of agriculture.
- (b) Successful manufacturing concerns build according to advantages of location with reference to fuel, raw materials, and markets.
- (c) The location of countries or counties often results in poor development or great development (British Isles—Bolivia) (Bell County—Brewster County).
- (d) The cotton textile industry has been moving from New England to the South because of the advantage of location of raw material.
- (e) The area of land cultivated by the farmer affects the type and methods of his agricultural practices (large area—extensive farming, small area—intensive farming.)

Location can be indicated most accurately by latitude and longitude. This involves the use of maps. Most people are not aware of the fact that all maps are inaccurate in at least one feature such as area, shape, distance or direction. Since the field of geography is almost the only course of study that deals with map construction it becomes an important part of the education of everyone who is interested in material placed on maps.

In the past few years most of us had to admit that we did not know enough place geography, even though it is the simplest phase of the subject, to follow the events of World War II. When the radio announcement from Washington on December 7th came, "Japan attacks Pearl Harbor", everyone was asking, 'Where is Pearl Harbor'? Thereafter atlases, maps and textbooks were used in order to locate Tobruck, Buna, Teheran, Bizerte, Dakar, Macassar Strait, Murmansk, Attu, and thousands of other places that have always played an important part in the lives of people before the war, but have not concerned us directly.

To know where these places are and to have an appreciation of the environment of the people of these localities is definitely a necessity if we are to leave intelligent peacetime development of trade and production in the world.

(2). *Surface Features of the Land.*

In addition to locaton, geography involves the study of the relief of the land surfaces, and the vital importance of surface features to human activities. Mountains, plateaus, hills and plains have exerted an enormous influence on the economic pursuits of man.

Semi-nomadism in the Swiss Alps is a typical response of people to a mountainous environment. The rough land and the steep slopes make movement of goods difficult and in some places impossible. So the Swiss move to different levels of the mountains with their cattle, in different seasons of the year. The cattle are grazed on the mountain meadows (Alps) and in that way harvest the grass which couldn't be moved down the mountain. The Swiss milk the cows and make cheese which is stored in little mountain huts until winter. During the cold months when the ground is covered with snow the famous Swiss Cheese is carried down the mountain sides on sledges and skiis to markets.

In various valleys of the Swiss Alps there is a constant movement of people, in some places whole towns, up and down the mountains. In the winter they are in the lower valleys. As spring comes they move up the mountain sides. By summer time they have moved above the timberline. In the fall they are on their way down. At each stopping place the milk from their livestock is made into cheese. The pressure of population in this country has not made such practice profitable, but elsewhere in the world similar activities are to be found.

The development of the large, modern agricultural machinery in the Spring Wheat Region of North America is a good example of how man has responded to the influence of great expanses of flat land. In many cases it has, or should be, reverted back to grazing land. The breaking of the land has exposed the thin soils to wind erosion and in some places through the Great Plains the soils are gone resulting in loss of both grazing and farm land.

Fruit growers of California, the Shenandoah Valley, and the Ozarks fully appreciate the importance of relief of the land. In those places orchards are planted on the slopes to check the loss of fruit by frost. The circulation of the air up and down the slopes during night and day respectively keeps the air from reaching freezing temperatures.

(3) *Water Bodies.*

The importance of water bodies to human achievements has many illustrations. Water bodies serve as a source of rain and a regulator of temperatures, as an aid to health, as a source of minerals and of food, as a carrier of commerce, as a source of domestic water supply and as power, as a means of irrigation and recreation.

(4) *Climate and Weather.*

No factor of geography received more attention and study during World War II than the condition of the atmosphere. The temperature, pressure, winds and moisture of the air are vital conditions to be reckoned with. When it is 60°F below zero at the great landing fields in Alaska and 120°F above zero in North Africa the temperature factor in providing for our servicemen and in making demands upon them was a great problem to be handled. Week after week we heard of the terrible dust storms which interfered with military activities on the Sahara desert. Germany blamed the winter weather for her failure in Russia. This no doubt is partially true. Cold weather certainly played havoc with Napoleon in an earlier war in the same area. The Allies wisely planned their great offensive during the dry monsoons of southeastern Asia.

In everything man does, he is confronted with the factors of the natural environments. For example, if one lives in the Hill Country of western Texas, because of climate, surface features, and natural vegetation, his primary interests are in ranching. If one is from East Texas where the natural vegetation is pine timber his primary interests will be in the lumber industry. If one should happen to be from the Rio Grande Valley where production is limited largely because of the lack of rainfall he must irrigate the land. Since it has sub-tropical temperatures he can raise a wide

variety of crops by irrigating the soil. In the black lands of Texas, because of natural environment, the chief source of income is general farming.

The various factors of the natural environment set up certain definite limitations. In general, if the natural environment is favorable an area will be progressive and if the natural environment is poor it will be retarded. Nations as well as regions or the ports of Africa, the paddy fields of the Orient, the atolls of individuals are affected by the limitations of the natural environment.

Before the war geographical training in our schools was definitely limited. Elementary schools and junior high schools offered some geography. In high schools practically no geography was offered before the war. Except for teachers' colleges there was very little geography training in institutions of higher education.

Since the war there has been an awakened interest in geography. American servicemen who have seen the bazaars of the Near East, the ports of Africa, the paddy fields of the Orient, the atolls of the South Pacific, etc., are definitely interested in further knowledge of these places all over the world. The necessity for fuller understanding of foreign regions is at present fully appreciated. The opportunities for employment with air lines, oil companies, trade associations, exporting and importing firms, investment houses, etc., should offer excellent openings for those trained in geography.

During and since the war grade schools and high schools have extended interest and training in geography. Most of the colleges and universities have developed or have plans to develop a well-rounded geography program, with courses in physical, economic, political, and human geography.

The value of the whole field of geography as a basis for study that leads to an understanding of peoples of other countries is now recognized. The more we know about the other nations of the world the better we can appreciate their problems. No nation is self-sufficient in war or peace. Trade and other relationships are necessary. In order to fully understand what other nations have

for trade and planning agreements, it is necessary to have definite geographical information. The power of modern states is closely related to their geography. The place for the teaching of geography in post-war general education is a necessity, and is now acknowledged as such. Many features of the natural environment are constantly changing. Individuals and nations to be successful must keep abreast with these changes.

Book Reviews

EDITED BY G. LOWELL FIELD

Hofstadter, Richard, *Social Darwinism in American Thought*. (Philadelphia: University of Pennsylvania Press [The American Historical Association], 1944, Pp. viii, 191, \$2.50.)

Mr. Hofstadter's book deals with one of the most important single chapters in American intellectual history. Not only are the central figures of his narrative—William Graham Sumner, Lester Ward, William James, John Dewey—the men who virtually created the social sciences as they exist today in this country; the rationale of unrestricted economic competition through biological analogies developed by Sumner and others in the late nineteenth century has retained its hold over important segments of the business community long after its abandonment by professional scholars, and still has some claim to be regarded as the actual, as contrasted with the official, theology of a considerable portion of the American public.

The twofold nature of the career of social Darwinism—its influence on the one hand upon intellectual leaders, and on the other upon a wide non-professional reading public—imposes upon Mr. Hofstadter a formidable task, even though he eschews altogether the rich topic of Darwinism in imaginative literature. It is possible that students of sociology or philosophy may find the analyses of major figures incomplete or one-sided. But the advantages of grouping these men about a central theme and relating them to currents of popular thought greatly outweigh the disadvantages of a method which prevents exhaustive treatment of any single thinker. Viewed in this fashion, the consequences of Herbert Spencer's ponderous effort to derive a theory of society from biology have an interest that at times becomes almost dramatic. Mr. Hofstadter's best chapters are those describing the long succession of fads and popular crazes that have proceeded from the assimilation of Darwin and Spencer by the public—the cracker-zox agnostics around the stoves of country stores in the 1880's discussing the inevitable progress of all life from homogeneity to heterogeneity; the congregations who were assured from the pulpit that "design by wholesale is grander than design by retail"; the eugenicists of the early twentieth century who shuddered so sincerely at the prospect of an America overrun by "inferior" immigrant stocks with high birth-rates; the imperialists who found in Darwinism a mandate to accept the stern proud destiny of a World Power; the racists who surrendered themselves to the *mystique* of the cult of the Anglo-Saxon.

If these fads seem at first glance merely amusing, they nevertheless throw light upon an issue of primary importance—the question of why a set of ideas like those of evolutionary biology, in themselves neutral with regard to social issues, could give rise both to the conservative determinism of the Spencer-Sumner school and the experimental, reformist indeterminism of the pragmatists. Evidently, the forces which governed the orientation of American social theory were not intrinsic to the biological ideas, but had deeper and less conscious origins. This, of course, is the area being currently explored by the “sociologists of knowledge,” and although Mr. Hofstadter is not primarily concerned with their special problem, he lets fall a number of suggestions that might be systematically followed up with profit.

Perhaps the most striking illustration of the interaction between theory and the social process is the way in which debate over free competition versus conscious planning has persisted through so many apparently basic shifts in the tone, the emphases, the terminology of theoretical discussion. Mr. Hofstadter's map of three-quarters of a century of energetic and voluminous controversy makes it plain that despite their vagaries, both technical and popular thought have been predominantly focussed upon issues raised by the swift development of American capitalism. At the same time, his survey brings out clearly a paradox that has been more or less apparent all along. The conservatives, the apologists for capitalism, have sought to maintain “freedom” for business by affirming a rigid metaphysical determinism: efforts to regulate economic life by conscious contrivance were derided as ignorant and futile tinkering with inexorable natural laws. The dissidents have usually affirmed the metaphysical indeterminism of the James-Dewey tradition as a basis for demanding conscious control of economic processes. Although James himself was singularly uninterested in developing a social theory, his protest against the “block universe” of the Spencerians parallels in metaphysical terms the resistance to monopoly on the plane of economics. It may well be that the central emphasis on indeterminism in the American critique of capitalism explains the curious lack of interest in Marxism which has often impressed historians of recent American thought.

The University of Texas

HENRY NASH SMITH

Cronin, John F., *Economic Analysis and Problems*. (New York: American Book Company, 1945, pp. xv, 623, \$3.75)

In his preface, the author declares that his objective is, "to give the student a comprehensive introduction to modern economic life." He seeks to attain this end by attempting, "to achieve a proper balance between analysis and description." Consequently, he analyzes economic principles to explain why the economic system behaves in a given manner and describes the institutions of the economic society to show how it operates. The book is adaptable for use either as an introductory text in economics or as a convenient resume and analysis for the general reader.

This book is divided into four parts. In Part One, which consists of six chapters, the author traces the rise and development of modern economic life and shows how wealth is produced and how business is organized. In the six chapters of Part Two he presents an analysis of the principles of value, price, and exchange. In Part Three he devotes seven chapters to a discussion of the functioning of the economic system. In the seven chapters comprising Part Four he treats the problems and philosophies of distribution.

An outstanding characteristic of this book is its simplicity and clarity of style. The definitions are given explicitly and are fully explained. The illustrative figures are given a graphic presentation which makes them very easily understood. The theoretical discussions are frequently supported by much factual data; yet, they include a considerable amount of philosophical discussion.

Dr. Cronin presents the material generally included in a text for the introductory course in economics. There is general stress on the traditional subjects of production, value, price, exchange, consumers and the competitive system, and distribution. A good brief discussion on monopoly and imperfect competition is in point. Among the outstanding economic problems treated are international trade, agriculture, public utilities, full employment, money and banking, the business cycle, government expenditures and taxation, and labor. The omission of any discussion of industry apparently leaves a wide gap in the account of the functioning of the economic system.

The author describes briefly three working economies which may be considered alternative economic systems to the free, capitalist enterprise system. These are respectively: the Social Democratic reform in Sweden, which operates within the framework of free enterprise as we know it; the corporative state of Portugal,

which retains private enterprise, but subjects it to a high degree of state control; and the communist state in the Soviet Union, which rejects private ownership of the means of production, and has developed a system of exclusive state ownership and operation of industry and agriculture.

The author's inclusion of chapters on the ethical and religious programs of social reform of Protestantism, Judaism, and Catholicism is an innovation. His explanation for including this material is that, "If space can be found for anarchism, guild socialism, and other movements with little practical effect upon economic life, it would seem reasonable to include non-economic forces which have profoundly affected human conduct in the economic sphere." He is concerned not only with what economic conditions are but also with what they ought to be. Therefore, he believes that these considerations are pertinent because economic situations are the result of policy as well as of inevitable economic trends.

The book is well documented. Extensive reading lists, consisting of general works, textbooks, and main articles from *The Encyclopaedia of the Social Sciences*, are given at the conclusion of chapters or sections. The appendix, which is in effect a classified bibliography, presents a carefully evaluated list of additional material. The book has an adequate index.

University of Oklahoma

CLAUDE A. CAMPBELL

Richardson, J. T., *The Origin and Development of Group Hospitalization in the United States, 1890-1940*. (Columbia: University of Missouri Studies, vol. xx, No. 3, 1945, pp. 102.)

This is a much-needed study of the rapid and significant growth of group hospitalization in this country, with particular reference to the Blue Cross Plans. At the time this survey was made, there were fifty-eight such plans in operation, with nearly three million subscribers and dependents of subscribers on their rolls. While there are controversial issues with respect to every phase of the present relationship between the public and organized medicine, Dr. Richardson rightly hews to the line of his investigation, and produces the following conclusions which are amply documented in the body of the study:

(1) The group hospital movement has achieved a satisfactory legal recognition;

(2) Administrative practices of the Hospital Service Plan Commission and various Blue Cross Plans are actuarially sound;

(3) The facilities principally offered are for hospitalization in private and semi-private rooms, seldom for beds in wards, and the premium rates are accordingly too high for the lower-income segment of the population;

(4) As a rule the Plans are confined to large cities, pointing to a risk that unless care is taken no adequate geographical coverage will be achieved;

(5) Group hospitalization has been well received by members of the medical profession; and

(6) The Blue Cross Plans do not interfere with physician-patient relationships.

Particular attention should be called to the excellent bibliography. It is to be hoped that libraries will not fail to indicate that this feature is of special significance, by a special subject-heading.

Newcomb College
Tulane University

ALTON R. HODGKINS

Biesanz, John and Mavis, *Costa Rican Life*. (New York: Columbian University Press, 1944, 272 pp.)

From information gathered during an exchange professorship of twenty-one months at the University of Costa Rica, Dr. and Mrs. Biesanz have compiled a study of the everyday life of the Costa Ricans; their behavior in and beliefs about work, family life, education, recreation, religion, and politics. The book's generalized statements about the behavior of individuals is referred at pertinent points to the historical and economic background of the country as a whole.

Costa Rica tends toward ethnic and economic homogeneity and toward political stability, according to the authors' analysis. The significance of their study, which is based primarily upon contacts with middle-class people in a middle-sized town, is thereby broadened and its validity for the whole country increased.

The Costa Ricans call themselves "Ticos," because of their habit of tacking the diminutive ending onto many of their words. The little country is located just north of the Republic of Panama, in Central America. On the humid coastlands are grown bananas, cacao, rubber, quinine, and hemp. The northwest corner of Costa Rica is cattle country. In the center, between two sections of the cordillera, lies a plateau covering about 760 square miles, where coffee, the economic blood of the country, is grown. Costa Rica's economy depends upon the coffee and banana plantations and has the instability of a single-crop system. The peones on the coffee fincas receive as low wages as any workers on the plateau, while

the wealthy families of the country are nearly all those of coffee planters. The workers on the banana plantations, the exportation of whose fruit is a monopoly of the United Fruit Company, are said to be better paid and housed than are the workers on the fincas.

Construction of the Inter-American Highway through Costa Rica, which is being built largely by the United States government, has added to the national income. Costa Ricans expect that it will bring in a flow of tourists at its completion.

Costa Ricans extol democracy and claim to be the most democratic nation in Latin America; at the same time they are very class-conscious. Money instead of family is becoming the chief determinant of class, and at the same time the economic differences between classes is increasing. The peasants are becoming landless peones, the planters can be seen "betting 2,000 colones on a roll of dice," and the gap between is being filled by an emerging middle class.

It is from the latter group that the authors obtained much of their information. The grandmothers complain that manners and morals are deteriorating; that is, that the young now have more freedom, but only recently has there been feminist agitation for the vote or for equal wages.

The Roman Catholic Church in Costa Rica has heavy influence in social and political affairs. It had and has unmistakably fascist leanings, according to the authors. Spain is glorified as the mother-land by local churchmen, while the United States is identified with corruption and imperialism.

Americans, however, are popular in Costa Rica. English is studied for five years by every high school student, and American movies, books, and magazines are widely circulated. Costa Rica declared war on Japan immediately after Pearl Harbor.

The inquiries and discussions of the authors have covered the most minute details about Costa Rican life. One might question the extensive use of generalizations about national opinions drawn from polling classes of students. Each paragraph has its own subject, and there are no transition sentences from one to the next. This gives the impression at times that one is reading an article in one of the less literate encyclopedias. However, the sources of all the information is carefully given, so that the book should provide a reliable source of reference about Costa Rica.

The University of Texas

REX D. HOPPER

Gabriel, Puzant, *Methods of Teaching Consumer Education; a Study of the Methods of Teaching Courses in Consumer Education in the Public High Schools of Twenty-Four States*. Monograph 64. (Cincinnati, etc.: South-Western Publishing Company, March, 1946, pp. 45.)

A summary of a doctoral thesis at the School of Education of New York University. Data were secured from 148 high schools in 24 States. The main interest centers upon the objectives sought through the teaching of consumption. Training in "wise buying" seems to emerge as the "favorite" objective, although as many as 34 separate objectives were listed in responses to the questionnaire. While it is possible to say that there is a good deal of laboring of the obvious in this matter, doubtless some practical guidance may be derived by interested teachers from a careful perusal of Dr. Gabriel's tables and comments. The bibliographical materials might be particularly useful.

Newcomb College
Tulane University

ALTON. R. HODGKINS

Tharp, Claude R., *Social Security and Related Services in Michigan, Their Administration and Financing*. (Ann Arbor: University of Michigan Press. [Michigan Governmental Studies, No. 16], 1946, pp. viii, 180.)

This excellent little book covers the whole field of state-related assistance, welfare, health and medical services, and social insurance in Michigan. While such a study is of direct, primary interest to lay and professional groups in that State, it cannot fail to be collaterally useful as a model for similar enterprises elsewhere, as a very few States appear to have available coverage on these subjects. The bibliography is extensive and is by no means confined to local documentation. There is an index.

Newcomb College
Tulane University

ALTON R. HODGKINS

50 Facts About UNRRA. (New York: United Nations Information Office, 1946, pp. 36.)

Lithographed to present simply and graphically the salient facts about UNRRA. Emphasizes both the immediacy and the size of the task already well begun. As a propaganda technique, the combination of the several bold-faced paragraph headings into sentences summarizing the work of the organization is effective. The conclusion, properly stressed, is that nations only learn to work together by working together.

University of Texas

EDWARD G. LEWIS

Graham, Ruth, *These Came Back*. (University, Ala.: Bureau of Public Administration, University of Alabama, 1946, pp. ix, 104.)

A statistical study of 4524 convicts paroled from the Alabama state prison in the years 1939-44. The study shows the effect of various social and biological characteristics of the convicts upon the probability of their becoming successful parolees. Relatively high degree of success may be predicted if the convict is over thirty years of age, of rural origin, married, parent of two or more children, himself from a family of two to five children, formerly engaged in a skilled occupation, and convicted of a crime against the public. Many factors which might be expected to affect success of parole show no influence. Among these are: race, education, intelligence, physical condition, venereal disease, and associates in crime. The findings of this investigation should be of great value in guiding parole officers in their selection of parolees from the prison population.

University of Texas

CARL M. ROSENQUIST

Worley, Lillian, *Alabama's People*. (University, Ala.: Bureau of Public Administration, University of Alabama, 1945, pp. x, 56.)

A collection in compact form of the more important census figures for the population of the state. Details are presented in the form of tables, most of which include data from past censuses as well as from the most recent. The distinctive features of the presentation are pointed out in the text. The pamphlet closes with an estimation of the future population of Alabama and a description of the effect of the war upon numbers and distribution.

University of Texas

CARL M. ROSENQUIST

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- Nathan, Robert R.; Gass, Oscar; and Creamer, Daniel, *Palestine: Problem and Promise*. (Washington: Public Affairs Press, 1946, pp. x, 675, \$5.00.)

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6. Jones, Drummond and McCauley, Mary Claire, *Resumption of Production of Domestic Flat Irons, April 1943 to August 1944*. Reissued March 1, 1946.

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10. Wiltse, Charles M., *Mercury Policies of the War Production Board and Predecessor Agencies, May 1940 to March 1944*. Reissued March 8, 1946.

11. Mowry, George E., *Landing Craft and the War Production Board, April 1942 to May 1944*. Reissued March 8, 1946.

12. Allen, Ethan P., *Policies Governing the Financing of Emergency Facilities, May 1940 to June 1942*. Reissued March 15, 1946.

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19. McGrane, Reginald C., *The Facilities and Construction Program of the War Production Board and Predecessor Agencies, May 1940 to May 1945*. Reissued April 5, 1946.

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NEWS NOTES

A bureau of business research recently has been established in the Department of Economics and Business Administration at the University of New Mexico. Ralph E. Edgel is the director. The bureau is currently compiling a business directory of the state which will be off the press some time in the fall.

Tulane University is one of four universities in the South designated by the Carnegie Foundation for the Advancement of Teaching to distribute funds to 33 selected colleges and universities to "vitalize instruction," O. C. Carmichael, president of the Foundation, announced recently. The four university centers will offer a five-year plan in which faculty members of the 33 participating colleges and universities will receive Carnegie funds for research work and graduate study. The Foundation will provide \$15,000 annually for five years to each of the four centers, which will add \$5000 each to the fund, while the colleges under the centers will each receive \$4000 annually for five years and contribute \$1000 each to the fund. The Tulane center will serve as a focal point for five other colleges and universities: Loyola University; Centenary College, Shreveport; Louisiana College, Pineville; Millsaps College, Jackson, Miss.; and Southern Methodist University, in Dallas.

The establishment of an Urban Life Institute at Tulane University is being planned for the immediate future. The purpose of the Institute will be to integrate social science research in the two liberal arts colleges of the University and to co-ordinate it with related research in the School of Social Work, School of Commerce and Business Administration, School of Law and the School of Medicine. In addition, the Institute will work in close cooperation with various agencies and organizations in the city of New Orleans and in the southern region for the promotion of a more systematic study of urbanization in the South.

Archie J. Bahm, formerly of Texas Technological College has gone to the University of Denver as Associate Professor of Philosophy.

Hollis Barber has returned after several years leave for military service to the Department of Political Science at Tulane University as Associate Professor.

Kenneth Bertrand resigned from the Department of Geography of Oklahoma A & M to join the staff of the Catholic University of America.

Ralph E. Birchard will be an Instructor in the Department of Geography at Oklahoma A & M.

Therel R. Black, now a graduate student at the University of Wisconsin, has accepted a position as Assistant Professor of Sociology at Oklahoma A & M.

Holze R. Broom has been appointed Assistant Professor of Accounting in the College of Business Administration at the University of Texas.

David Bussell will be Assistant Professor of Marketing at Oklahoma A & M.

Gerald M. Capers, Jr., has returned from military service to the position of Associate Professor of History at Tulane University.

George S. Carfield will be an Assistant Professor of Geography at Oklahoma A & M.

Fred Cole, formerly of Louisiana State University has been appointed to the staff of Tulane University as Associate Professor of History.

James Collins has been appointed Instructor in the Department of Government of the University of Texas.

John Paul Duncan will be in the Department of Political Science at the University of Oklahoma.

Harry Howard Elwell, Jr. has been appointed Instructor in Industrial Relations in the College of Business Administration at the University of Texas.

Delavan P. Evans has resigned from the Department of Government at the University of Texas to accept a position at Williams College, Williamstown, Mass.

Gerald Forbes has accepted an Associate Professorship of History at Oklahoma A & M, Stillwater.

Paul B. Foreman, formerly of the University of Mississippi, became Professor of Sociology at Oklahoma A & M in February, 1946.

Fag Foster has been appointed Associate Professor of Economics at the University of Denver.

Allen Z. Gammage has been appointed Instructor in the Department of Government of the University of Texas.

Clarence Glick, formerly of Brown University, has joined the staff of the Department of Sociology at Tulane University.

Paul Graber, formerly with the American Institute of Accounting, has accepted a position as Professor of Accounting at the University of Tulsa.

Frank D. Graydon has been appointed Assistant Professor of Accounting in the College of Business Administration in the University of Texas.

Doris B. Griscom has resigned from the Department of Sociology at the University of Texas to accept an Assistant Professorship at Tulane University.

Peggy Heim of Ohio State University has been appointed Instructor of Economics at the University of Texas.

Howard House, formerly of the University of Mississippi and recently in the Armed Forces in the Pacific area, has joined the staff of Psychology and Philosophy at Oklahoma A & M.

Edward Elmer Keso, formerly of the University of Oklahoma, became head of the Department of Geography at Oklahoma A & M in January of 1946.

Joe Klos will be an Instructor in Accounting at Oklahoma A & M.

William L. Kolb, formerly of Oklahoma A & M has been appointed Assistant Professor of Sociology at Tulane.

Ivan Little, from the University of Nebraska, has accepted a position as Associate Professor of Philosophy at Texas Technological College at Lubbock.

Wendell R. Logan will be instructor in Sociology during the year 1946-47, at Oklahoma A & M.

Paul F. Martin has resigned from the Department of Geography at Oklahoma A & M to enter private business.

Perham C. Nahl has joined the research department of Needham, Louis, and Brorby, Inc., an advertising firm in Chicago.

William A. Nielander, Professor of Marketing in the College of Business Administration at the University of Texas, has returned from leave of absence.

James A. Norton has been appointed Instructor in the Department of Government of the University of Texas.

Louis O'Quin has been appointed Associate Professor of Economics at the University of Denver.

On September 1, James F. Page will become Emeritus Professor of Sociology at Oklahoma A & M.

William J. Parish will be on leave from the University of New Mexico during the year 1946-47. He will continue with graduate work at Harvard University.

E. H. Plank has accepted a position of Associate Professor of Economics at the University of New Mexico. He recently resigned his position as Principal Economist with the State Department at Washington.

Charles L. Prather, Syracuse University, has been appointed Professor of Banking and Finance in the College of Business Administration at the University of Texas.

Ralph Records has been ill and unable to teach for the past year.

Charles D. Roberts, now a graduate student at Iowa University, has accepted a position as Assistant Professor of Rural Sociology at Oklahoma A & M.

Edward S. Robinson has accepted a position at the University of Kansas, beginning this fall.

Ralph C. Russel has accepted a position of Associate Professor of Accounting at the University of New Mexico. Mr. Russel comes to the University of New Mexico from the University of Alabama.

The Department of Sociology of the University of Texas is entering upon a new phase this fall with the beginning of its program of work leading to the Ph. D. Degree. Walter R. Firey, from Harvard, has joined the staff as Assistant Professor, chiefly responsible for developing the work in the sociology of institutions. New instructors in the Department include Milton A. Maxwell, Hiram Friedsam, and Winfred G. Steglich.

Edwin O. Steine has prepared a bulletin on *Wild Life Conservation* in Kansas which has been published by the University of Kansas as Governmental Research Series No. 3.

George Stephanovich from Ohio State University has been appointed Instructor of Economics at the University of Texas.

Wendell H. Stephenson has been appointed director of the Division of Social Studies and University Chairman of History at Tulane. He comes to Tulane from the University of Kentucky where he was Professor of History and editor of the University Press. Prior to 1945 and 1946 he was Dean of the College of Arts

& Sciences at Louisiana State University, editor of the *Journal of Southern History* from 1935 to 1941, and he is the past president of the Southern Historical Association.

George W. Stocking has resigned as Professor of Economics at the University of Texas to accept an appointment as Head of the Department of Economics and Director of the Institute of Research in the Social Sciences at Vanderbilt.

Donald Strong has resigned from his position in the Department of Government at the University of Texas to accept a position at the Bureau of Municipal Research at the University of Alabama.

Hobert P. K. Sturm has been appointed Instructor in the Department of Government of the University of Texas.

Charles A. Timm has been granted a leave of absence to continue work with the U. S. Department of State for the academic year 1946-47.

Victor A. Thompson has been appointed Instructor in the Department of Government of the University of Texas.

J. Richard Vandegriff has accepted a position as Assistant Professor of Accounting at Oklahoma A & M.

Benjamin Wofford has accepted a position as Assistant Professor of Economics at Mississippi State College.

Charles T. Zlatkovich has been appointed Assistant Professor of Accounting in the College of Business Administration at the University of Texas.

Members

Below is printed a list of the members of the Southwestern Social Science Association. Where we have the information, we have listed the institution with which each member is connected. We have also listed the major field of interest of each member according to the following scheme:

1. Accounting
2. Agricultural Economics
3. Business Administration
4. Economics
5. Geography
6. Government
7. History
8. Journalism
9. Psychology
10. Sociology

An "s" following the number indicates a student member.

We would appreciate those members for whom we have failed to list the correct information to notify the secretary that he may put his files in order.

Adams, Arthur B.	3	Ayres, C. E.	4
University of Oklahoma		University of Texas	
Norman, Oklahoma		Austin, Texas	
Adams, Joy Anna	1	Bailkey, Nels M.	7
Texas State College for Women		The University of Tulsa	
Denton, Texas		Tulsa, Oklahoma	
Albright, Spencer	6	Baker, O. E.	4 & 10
Arkansas A. M.		Hardin-Simons University	
Monticello, Arkansas		Abilene, Texas	
Allen, Ethan P.	6	Ballard, F. E.	6
University of Kansas		Dallas 6, Texas	
Lawrence, Kansas		Barnes, D. L.	1
Allen, Ruth A.	4	University of Oklahoma	
University of Texas		Norman, Oklahoma	
Austin, Texas			
Armstrong, Prof. A. B.	4	Barton, Sam	4
North Texas Agricultural College		North Texas State Teacher's College	
Arlington, Texas		Denton, Texas	
Ashburn, Karl E.	4	Beasley, Titus W.	6 & 7
War Assets Administration		Southwest Baptist College	
Fort Worth, Texas		Bolivar, Missouri	

Belcher, John C. Madison, Wisconsin	10	Brown, Joseph E. Southern Methodist University Dallas, Texas	4
Belk, N. C. Lamar College Beaumont, Texas	6	Burris, E. C. Oklahoma A & M College Stillwater, Oklahoma	4
Bertrand, John Sam Houston State Teachers College Huntsville, Texas	10	Burrows, Charles N. Trinity University San Antonio, Texas	10
Bieseke, R. L. University of Texas Austin, Texas	7	Cagle, A. P. Baylor University Waco, Texas	6
Blair, Morris M. 230 West Street Stillwater, Oklahoma	4	Caldwell, S. A. Louisiana State University Baton Rouge, Louisiana	4
Bollinger, C. J. University of Oklahoma Norman, Oklahoma	5	Campbell, Claude A. University of Oklahoma Norman, Oklahoma	4
Bonnett, Clarence E. Tulane University New Orleans, Louisiana	4	Carr, W. P. Loyola University New Orleans, Louisiana	4
Bonney, Merl E. North Texas State Teachers College Denton, Texas	9	Cella, Francis R. University of Oklahoma Norman, Oklahoma	4
Boonstra, Clarence A. Arlington, Virginia		Chambers, William T. Stephen F. Austin State Teachers' College Nacogdoches, Texas	5
Borth, Daniel, Jr. Washington, D. C.	1	Chandler, L. E. Southeastern Louisiana College Hammond, Louisiana	7 & 6
Boyd, William P. University of Texas Austin, Texas	3	Charlton, J. L. University of Arkansas Fayetteville, Arkansas	10
Boyer, P. F. Louisiana State University Baton Rouge 3, Louisiana	3	Chatterton, H. J. Southwestern Louisiana Institute Lafayette, Louisiana	5
Bradshaw, H. C. Springfield, Illinois		Chubb, H. B. University of Kansas Lawrence, Kansas	6
Bradshaw, William L. University of Missouri Columbia, Missouri	6	Clark, F. B. Texas A & M College College Station, Texas	4
Bragg, J. D. Baylor University Waco, Texas	7	Clark, J. L. Sam Houston State Teachers College Huntsville, Texas	7
Brann, W. Paul University of Arkansas Fayetteville, Arkansas	4	Clark, O. L. Southern Methodist University Dallas, Texas	10
Brannen, C. O. University of Arkansas Fayetteville, Arkansas	2		

Claunch, John M. Southern Methodist University Dallas, Texas	6	Duffot, J. L. West Texas State Teachers College Canyon, Texas	10
Clevenger, E. Central State College Edmond, Oklahoma	1	Duncan, O. D. Oklahoma A & M College Stillwater, Oklahoma	10
Coffee, Herschel West Texas State Teachers College Canyon, Texas	4	Earle, Mrs. Chester B. University of Texas Austin, Texas	6
Compton, Edward W. Texas Christian University Fort Worth, Texas	10	Elliott, E. A. National Labor Relations Board Fort Worth, Texas	4
Compton, Ross North Texas State Teachers College Denton, Texas	10	Ellsworth, J. O. Texas Technological College Lubbock, Texas	3 & 4
Connell, L. F. Texas College of Arts and Industries Kingsville, Texas	4	Erion, G. L. University of Arkansas Fayetteville, Arkansas	3
Cooper, Roy F. Southwestern Publishing Company Dallas, Texas		Evans, Delavan P. Williams College Williamstown, Massachusetts	6
Cranfill, S. E. Baylor University Waco, Texas	10	Evans, Kenneth East Texas State Teachers College Commerce, Texas	10
Daily, C. F. University of Oklahoma Norman, Oklahoma	4	Ewing, Cortez A. M. University of Oklahoma Norman, Oklahoma	6
Dangerfield, R. J. University of Oklahoma Norman, Oklahoma	6	Farris, T. N. Louisiana State University University, Louisiana	4
Davis, Edward East Central Teachers College Ada, Oklahoma	7	Fitchner, Charles C. Buffalo, New York	
Davis, J. William Technological College Lubbock, Texas	6	Field, G. Lowell University of Texas Austin, Texas	6
Davis, W. R. State Teachers College Nacogdoches, Texas	7	Fielder, V. B. University of Arkansas Fayetteville, Arkansas	10
Dealey, Ted The Dallas Morning News Dallas, Texas		Fitzgerald, J. Anderson University of Texas Austin, Texas	3
Dein, Raymond C. University of Wisconsin Madison, Wisconsin	3	Fleck, Laurence H. Southern Methodist University Dallas, Texas	1
Dolley, James C. The University of Texas Austin, Texas	3	Forbes, Gerald Oklahoma A & M College Stillwater, Oklahoma	7
		Ford, Amos W. Louisiana Tech Ruston, Louisiana	4

Foreman, Paul B.	10	Gragg, John O.	4
Oklahoma A & M College		Southwestern Texas State College	
Stillwater, Oklahoma		San Marcos, Texas	
Fortenberry, C. N.	6	Gregory, Robert H.	1
North Texas State Teachers College		Texas Christian University	
Denton, Texas		Fort Worth, Texas	
Foscue, Edwin J.	5	Guice, H. H.	6
Southern Methodist University		Southern Methodist University	
Dallas, Texas		Dallas, Texas	
Foster, Neil S.	3	Hale, E. E.	4
Baylor University		University of Texas	
Waco, Texas		Austin, Texas	
Frederick, John H.	3	Hall, Orville J.	2
University of Texas		University of Arkansas	
Austin, Texas		Fayetteville, Arkansas	
Freeman, Eva Allen	9	Halpin, R. B.	2
Southern Methodist University		Agricultural Experiment Station	
Dallas, Texas		College Station, Texas	
French, Robert W.	3	Hamilton, Alan H.	10s
University of Texas		Southern Methodist University	
Austin, Texas		Dallas, Texas	
Garner, Lloyd	3	Hammond, W. J.	7
North Texas State Teachers College		Texas Christian University	
Denton, Texas		Fort Worth, Texas	
Gettys, W. E.	10	Hansen, Walter	5
University of Texas		North Texas State Teachers College	
Austin, Texas		Denton, Texas	
Gibson, Hilden R.	6	Harrel, Gordon M.	5
University of Kansas		831 East Fifteenth Street	
Lawrence, Kansas		Ada, Oklahoma	
Gile, B. M.	2	Harrison, B. F.	1
Louisiana State University		Oklahoma A & M College	
Baton Rouge, Louisiana		Stillwater, Oklahoma	
Glanville, J. L.	7	Hedges, John T.	4 & 5
Southern Methodist University		Oklahoma City University	
Dallas, Texas		Oklahoma City, Oklahoma	
Golden, Howard E.	3 & 4	Hedges, T. R.	2
Hardin-Simmons University		University of Arkansas	
Abilene, Texas		Fayetteville, Arkansas	
Good, Alvin	10	Herbert, Leo	1
Louisiana State Normal College		College of Commerce	
Natchitoches, Louisiana		Baton Rouge, Louisiana	
Gordon, Wendell C.	4	Hester, George C.	6
University of Texas		Southwestern University	
Austin, Texas		Georgetown, Texas	
Graber, Paul J.	1	Hilton, O. A.	6
University of Tulsa		Oklahoma A & M College	
Tulsa 4, Oklahoma		Stillwater, Oklahoma	

Hitt, Homer L.	10	Johnson, Lee L.	3
Louisiana State University		West Texas State Teachers College	
Baton Rouge, Louisiana		Canyon, Texas	
Hodge, Geln L.	1 & 3	Johnson, O. R.	2
College of Commerce		University of Missouri	
Baton Rouge, Louisiana		Columbia, Missouri	
Hodges, John R.	4 & 10	Jones, Carlos	
University of Kansas		Millersview, Texas	
Kansas City, Missouri		Jones, Paul W.	3 & 4
Hodgkins, Alton R.	4	University of Wichita	
Newcomb College		Wichita, Kansas	
New Orleans, Louisiana		Jones, R. L.	7
Holsington, L. B.	9	East Texas State Teachers College	
University of Oklahoma		Commerce, Texas	
Norman, Oklahoma		Kane, John E.	3
Hopper, Rex D.	10	University of Arkansas	
University of Texas		Fayetteville, Arkansas	
Austin, Texas		Kelley, Pearce C.	3 & 4
Huff, Z. T.	Education	University of Arkansas	
Howard Payne College		Fayetteville, Arkansas	
Brownwood, Texas		Keso, Edward E.	5
Hultt, Ralph K.	6	Oklahoma A & M College	
Lamar College		Stillwater, Oklahoma	
Beaumont, Texas		Klemme, Randall T.	2
Hunsberger, George E.	3	Oklahoma A & M College	
University of Arkansas		Stillwater, Oklahoma	
Fayetteville, Arkansas		Knepper, David W.	6
Jackson, R. E.	6	The University of Houston	
Texas State College for Women		Houston, Texas	
Denton, Texas		Kolb, William L.	10
James, Herman G.	6	Tulane University	
Chicago, Illinois		New Orleans, Louisiana	
Jenison Elsie S.	4	Kyser, John S.	5
Texas Christian University		College Station, Northwest State	
Denton, Texas		College	
Johansen, Sugurd	10	Natchitoches, Louisiana	
New Mexico State College		Lang, A. S.	4
State College, New Mexico		Texas State College for Women	
Johnson, Charles D.	10	Denton, Texas	
Baylor University		Layton, Norma	3 & 4
Waco, Texas		Texas College for Women	
Johnson, Jack	4	Denton, Texas	
North Texas State Teachers College		Lee, Humphrey	
Denton, Texas		Southern Methodist University	
Johnson, J. K.	10	Dallas, Texas	
Dallas, Texas		Leek, J. H.	6
Johnson, Lee E.	1	University of Oklahoma	
Texas State College for Women		Norman, Oklahoma	
Denton, Texas			

Leonard, Archie L. Farm Security Administration Chickasha, Oklahoma	2	Mundhenke, H. R. Texas Christian University Fort Worth, Texas	4
Logan, Leonard University of Oklahoma Norman, Oklahoma	10	Muse, Shelley Beaumont City Schools Beaumont, Texas	6
Lucas, B. F. University of Arkansas Fayetteville, Arkansas	4 & 10	McAlister, S. B. North Texas State Teachers College Denton, Texas	6
Ludmer, Henry Austin College Sherman, Texas	1 & 4	McClendon, R. Earl Sam Houston State Teachers College Huntsville, Texas	7
Mann, Gerald C. Dallas, Texas		McCowen, George B. Oklahoma A & M College Stillwater, Oklahoma	1
Marshall, Don A. University of Arkansas Fayetteville, Arkansas	4 & 10	McCracken, H. L. Louisiana State University Baton Rouge, Louisiana	4
Martin, Paul F. Oklahoma A & M College Stillwater, Oklahoma	5	McCrary, Emma Texas State College for Women Denton, Texas	3 & 4
Martin, Robert L. Southeast Missouri State Cape Girardeau, Missouri	5	McCulloch, Robert W. Oklahoma A & M College Stillwater, Oklahoma	6
Mason, Carol Y. University of Tulsa Tulsa, Oklahoma	5	McGee, L. A. Sam Houston State Teachers College Huntsville, Texas	4 & 7
Maxted, Mattie Cal University of Arkansas Fayetteville, Arkansas	10	McGinty, G. W. Louisiana Polytechnic Institute Ruston, Louisiana	7
Melton, R. B. University of Arkansas Fayetteville, Arkansas	4	McMillan, Robert T. Oklahoma A & M College Stillwater, Oklahoma	10
Merrill, Mr. M. H. University of Oklahoma Norman, Oklahoma	Law	McMinn, Frances Sam Houston State Teachers College Huntsville, Texas	
Milam, Paul W. University of Arkansas Fayetteville, Arkansas	3	Napier, Carl H. St. Louis, Missouri	
Montgomery, R. H. University of Texas Austin, Texas	4	Nelson, Peter Oklahoma A & M College Stillwater, Oklahoma	2
Moore, Henry Estill University of Texas Austin, Texas	10	Newton, Byron L. North Texas State Teachers College Denton, Texas	1 & 3
Morris, John W. S. E. Oklahoma College Durant, Oklahoma	6	Nottingham, Elizabeth K. Tulane University New Orleans, Louisiana	10
Morton, Ward M. University of Arkansas Fayetteville, Arkansas	6	Ogle, G. C. Northeastern State College Tahlequah, Oklahoma	2

Osburn, Luke	4	Records, Ralph	7
University of Texas		University of Oklahoma	
Austin, Texas		Norman, Oklahoma	
Osgood, O. T.	2 & 10	Redford, Emmette S.	6
University of Arkansas		University of Texas	
Fayetteville, Arkansas		Austin, Texas	
Paine, L. S.	5	Reese, Jim E.	4
Texas A & M College		Southern Methodist University	
College Station, Texas		Dallas, Texas	
Patton, Clifford W.	6	Reeve, Frank D.	
Washington, D. C.		Historical Society of New Mexico	
Paulson, W. E.	2	Santa Fe, New Mexico	
Texas Agricultural Experiment Stat.		Reiff, C. K.	3
College Station, Texas		Oklahoma A & M College	
Peach, W. Nelson	4	Stillwater, Oklahoma	
University of Texas		Reuter, Bertha Ann	7
Austin, Texas		Mary-Hardin Baylor	
Peters, Wirt	3	Belton, Texas	
University of Oklahoma		Reyer, Karl D.	3
Norman, Oklahoma		Louisiana State University	
Petty, Edward C.	3	Baton Rouge, Louisiana	
University of Oklahoma		Rhodes, Jack A.	6
Norman, Oklahoma		University of Oklahoma	
Phillips, William J.	4	Norman, Oklahoma	
Southwestern Louisiana Institute		Rich, W. D.	6
Lafayette, Louisiana		Stephen F. Austin State Teachers	
Porterfield, A. L.	10	College	
Texas Christian College		Nacogdoches, Texas	
Fort Worth, Texas		Richards, C. H.	6
Potts, C. S.	4 & 6	Texas Christian University	
Southern Methodist University		Fort Worth, Texas	
Dallas, Texas		Richardson, J. T.	10
Powell, J. C.	3	Stephen F. Austin State College	
University of Oklahoma		Nacogdoches, Texas	
Norman, Oklahoma		Richardson, Rupert N.	7
Pray, Joseph C.	6	Hardin-Simmons University	
University of Oklahoma		Abilene, Texas	
Norman, Oklahoma		Richardson, T. C.	8
Preston, Stanley W.	3	Dallas, Texas	
University of Louisiana		Robinson, Lucile	4
University, Louisiana		Texas Technological Institute	
Pritchett, H. L.	10	Lubbock, Texas	
Southern Methodist University		Rose, Tom	1
Dallas, Texas		North Texas State Teachers College	
Rader, Frank K.	3	Denton, Texas	
Southern Methodist University		Rosenquist, Carl M.	10
Dallas, Texas		University of Texas	
Rankin, Guy M.	4	Austin, Texas	
Edmond, Oklahoma			

Sacks, Benjamin	7	Sollenberger, I. J.	3
University of Mexico		University of Oklahoma	
Albuquerque, N. M.		Norman, Oklahoma	
Salliers, Earl A.	1	Southern, J. H.	2
Louisiana State University		U. S. Dept. of Agriculture	
Baton Rouge, Louisiana		Little Rock, Arkansas	
Sartain, A. Q.	9	Sorrell, V. G.	3 & 4
Southern Methodist University		University of New Mexico	
Dallas, Texas		Albuquerque, New Mexico	
Saville, R. J.		Sowell, Ellis M.	3
Arlington, Virginia		Texas Christian University	
Saylor, Joseph R.	6	Fort Worth, Texas	
East Texas State Teachers College		Spann, August O.	6
Commerce, Texas		Texas Christian University	
Schadt, Everett W.	4	Fort Worth, Texas	
Southern Methodist University		Sparlin, Estal E.	
Dallas, Texas		Legislative Research Committee	
Schauer, Eugene T.	1	Jefferson City, Missouri	
Oklahoma A & M College		Spencer, Florence E.	6
Stillwater, Oklahoma		University of Texas	
Scott, Elmer		Austin, Texas	
Civic Federation of Dallas		Stene, Edwin O.	6
Dallas, Texas		University of Kansas	
Scruggs-Carruth, Margaret	10	Lawrence, Kansas	
Southern Methodist University		Stephens, P. H.	2
Dallas, Texas		Wichita, Kansas	
See, Robert S.	1	Stephenson, W. A.	6
Centenary College of Louisiana		Abilene, Texas	
Shreveport, Louisiana		Strahlem, Richard E.	3 & 4
Sharp, Luther		Indianapolis, Indiana	
Dallas, Texas		Strauss, William L.	6
Shepherd, Hilton D.	7	University of Texas	
Texas State Teachers College		Austin, Texas	
Denton, Texas		Strong, Donald S.	6
Sipe, J. Marvin	1	University of Alabama	
University of Houston		Tuscaloosa, Alabama	
Houston, Texas		Stuart, William	
Sloan, H. Grady	4	Fort Worth, Texas	
University of Oklahoma		Stutz, John G.	6
Norman, Oklahoma		League of Kansas Municipalities	
Sloan, Virginia	4	Topeka, Kansas	
Fort Worth, Texas		Tarter, B. C.	6
Smith, Everett G.	3	East Texas State Teachers College	
University of Texas		Commerce, Texas	
Austin, Texas		Templin, Lucinda de L.	10
Smith, T. Lynn	10	Radford School for Girls	
Louisiana State University		El Paso, Texas	
Baton Rouge, Louisiana		Thomas, Raymond D.	4
		Oklahoma A & M College	
		Stillwater, Oklahoma	

3	Thompson, E. Bruce Waco, Texas	7	Weisen, T. F. Texas Technological College	4
2	Thornton, H. V. University of Oklahoma Norman, Oklahoma	6	Lubbock, Texas	
4	Trant, James B. Louisiana State University Baton Rouge, Louisiana	3	Wiley, C. A. University of Texas Austin, Texas	2 & 4
3	Van Hook, Joseph O. Louisiana Polytechnic Institute Ruston, Louisiana	7	Willbern, York Y. University of Alabama	3
6	VanKirk, J. C. Tulane University New Orleans 15, Louisiana	1	University, Alabama	
6	Vaughan, F. L. University of Oklahoma Norman, Oklahoma	3	Willems, Dr. Emilio Caixa 1851 San Paulo, Brazil	
6	Vaughan, Theo L. Bureau of Agricultural Economics Little Rock, Arkansas	10	Wilson, Logan Newcomb College New Orleans, Louisiana	10
6	Wall, Hugo University of Wichita Wichita, Kansas	6	Wood, George N. Phillips University Enid, Oklahoma	3 & 4
2	Waller, J. L. College of Mines El Paso, Texas	7	Woolsey, S. M. Baylor University Waco, Texas	1
6	Waters, L. L. University of Kansas Lawrence, Kansas	3	Wooten, M. L. Texas State College for Women Denton, Texas	10
4	Watson, Walter T. Southern Methodist University Dallas, Texas	10	Yarborough, Joseph U. Southern Methodist University Dallas, Texas	9
6	Watts, Fred G. Oklahoma Baptist University Shawnee, Oklahoma	10	Yoder, Lowell C. University of Arkansas Fayetteville, Arkansas	3
6	White, Henry F. John Brown University Siloam Springs, Arkansas	3 & 4	Young, Paul C. Louisiana State University Baton Rouge, Louisiana	9
6	White, John Arch University of Texas Austin, Texas	1	Young, Paul P. Texas State College for Women Denton, Texas	6
6			Zingler, Ervin K. Bureau of the Budget Dallas, Texas	4